

The Goodyear Tire & Rubber Company and Subsidiaries
Consolidated Statement of Operations (unaudited)

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2011</u>	<u>2010</u>
NET SALES	\$5,402	\$4,270
Cost of Goods Sold	4,461	3,456
Selling, Administrative and General Expense	668	605
Rationalizations	9	2
Interest Expense	74	74
Other Expense	<u>4</u>	<u>104</u>
Income before Income Taxes	186	29
United States and Foreign Taxes	<u>62</u>	<u>53</u>
Net Income (Loss)	124	(24)
Less: Minority Shareholders Net Income	<u>21</u>	<u>23</u>
Goodyear Net Income (Loss)	<u>\$ 103</u>	<u>\$ (47)</u>
Goodyear Net Income (Loss) - Per Share of Common Stock		
Basic	<u>\$ 0.42</u>	<u>\$ (0.19)</u>
Weighted Average Shares Outstanding	243	242
Diluted	<u>\$ 0.42</u>	<u>\$ (0.19)</u>
Weighted Average Shares Outstanding	246	242

(more)

The Goodyear Tire & Rubber Company and Subsidiaries

Consolidated Balance Sheets (unaudited)

(In millions, except share data)

	March 31, <u>2011</u>	December 31, <u>2010</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,215	\$ 2,005
Accounts Receivable, less Allowance - \$109 (\$106 in 2010)	3,550	2,736
Inventories:		
Raw Materials	826	706
Work in Process	190	168
Finished Products	<u>2,321</u>	<u>2,103</u>
	3,337	2,977
Prepaid Expenses and Other Current Assets	<u>390</u>	<u>327</u>
Total Current Assets	9,492	8,045
Goodwill	712	683
Intangible Assets	161	161
Deferred Income Taxes	52	58
Other Assets	510	518
Property, Plant and Equipment		
less Accumulated Depreciation - \$9,068 (\$8,807 in 2010)	<u>6,329</u>	<u>6,165</u>
Total Assets	<u>\$ 17,256</u>	<u>\$ 15,630</u>
Liabilities:		
Current Liabilities:		
Accounts Payable-Trade	\$ 3,358	\$ 3,107
Compensation and Benefits	792	756
Other Current Liabilities	1,055	1,018
Notes Payable and Overdrafts	245	238
Long Term Debt and Capital Leases due Within One Year	<u>244</u>	<u>188</u>
Total Current Liabilities	5,694	5,307
Long Term Debt and Capital Leases	4,795	4,319
Compensation and Benefits	3,412	3,415
Deferred and Other Noncurrent Income Taxes	262	242
Other Long Term Liabilities	<u>849</u>	<u>842</u>
Total Liabilities	15,012	14,125
Commitments and Contingent Liabilities		
Minority Shareholders' Equity	628	584
Shareholders' Equity:		
Goodyear Shareholders' Equity:		
Preferred Stock, no par value:		
Authorized, 50 million shares, Outstanding shares – 10 million (0 in 2010), liquidation preference \$50 per share	500	-
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 244 million (243 million in 2010) after deducting 7 million treasury shares (8 million in 2010)	244	243
Capital Surplus	2,795	2,805
Retained Earnings	969	866
Accumulated Other Comprehensive Loss	<u>(3,181)</u>	<u>(3,270)</u>
Goodyear Shareholders' Equity	1,327	644
Minority Shareholders' Equity – Nonredeemable	<u>289</u>	<u>277</u>
Total Shareholders' Equity	1,616	921
Total Liabilities and Shareholders' Equity	<u>\$ 17,256</u>	<u>\$ 15,630</u>

(more)

Non-GAAP Financial Measures

This earnings release presents total segment operating income, which is an important financial measure for the company but is not a financial measure defined by U.S. GAAP.

Total segment operating income is the sum of the individual strategic business units' segment operating income as determined in accordance with U.S. GAAP. Management believes that total segment operating income is useful because it represents the aggregate value of income created by the company's SBUs and excludes items not directly related to the SBUs for performance evaluation purposes. See the table below for the reconciliation of total segment operating income.

Total Segment Operating Income Reconciliation Table

(in millions)	Three Months	
	Ended March 31,	
	<u>2011</u>	<u>2010</u>
Segment Operating Income	\$ 327	\$ 240
Rationalizations	(9)	(2)
Interest expense	(74)	(74)
Other expense	(4)	(104)
Asset write-offs and accelerated depreciation	(9)	(3)
Corporate incentive compensation plans	(14)	(7)
Intercompany profit elimination	(9)	(9)
Other	(22)	(12)
Income before Income Taxes	<u>\$ 186</u>	<u>\$ 29</u>

First Quarter Significant Items (after tax and minority interest)

2011

- Rationalizations and accelerated depreciation charges, \$18 million (7 cents per share).
- Discrete tax charges, \$6 million (2 cents per share).

2010

- Charges resulting from Venezuelan currency devaluation, \$99 million (41 cents per share)
- Costs related to debt exchange offer, \$5 million (2 cents per share)
- Rationalizations, asset write-offs and accelerated depreciation charges, \$5 million (2 cents per share)
- Gain from asset sales, \$8 million (3 cents per share)
- Gain related to settlements with certain suppliers, \$8 million (3 cents per share)
- Gain resulting from various discrete tax benefits, \$5 million (2 cents per share)