

**The Goodyear Tire & Rubber Company and Subsidiaries**  
**Consolidated Statements of Operations**

	<b>Quarter Ended</b>		<b>Year Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>(unaudited)</b>			
<i>(In millions, except per share amounts)</i>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>NET SALES</b>	<b>\$4,135</b>	<b>\$5,160</b>	<b>\$19,488</b>	<b>\$19,644</b>
Cost of Goods Sold	3,666	4,156	16,139	15,911
Selling, Administrative and General Expense	603	737	2,600	2,762
Rationalizations	50	25	184	49
Interest Expense	82	99	320	450
Other (Income) and Expense	<u>83</u>	<u>18</u>	<u>59</u>	<u>8</u>
Income (Loss) from Continuing Operations before Income Taxes and Minority Interest	(349)	125	186	464
United States and Foreign Taxes	(8)	46	209	255
Minority Interest	<u>(11)</u>	<u>18</u>	<u>54</u>	<u>70</u>
<b>Income (Loss) from Continuing Operations</b>	<b>(330)</b>	<b>61</b>	<b>(77)</b>	<b>139</b>
Discontinued Operations	<u>--</u>	<u>(9)</u>	<u>--</u>	<u>463</u>
<b>NET INCOME (LOSS)</b>	<b><u>\$ (330)</u></b>	<b><u>\$ 52</u></b>	<b><u>\$ (77)</u></b>	<b><u>\$ 602</u></b>
<b>Net Income (Loss) Per Share - Basic</b>				
Income (Loss) from Continuing Operations	\$ (1.37)	\$ 0.28	\$ (0.32)	\$ 0.70
Discontinued Operations	<u>--</u>	<u>(0.04)</u>	<u>--</u>	<u>2.30</u>
<b>Net Income (Loss) Per Share - Basic</b>	<b><u>\$ (1.37)</u></b>	<b><u>\$ 0.24</u></b>	<b><u>\$ (0.32)</u></b>	<b><u>\$ 3.00</u></b>
Weighted Average Shares Outstanding	241	216	241	201
<b>Net Income (Loss) Per Share - Diluted</b>				
Income (Loss) from Continuing Operations	\$ (1.37)	\$ 0.27	\$ (0.32)	\$ 0.65
Discontinued Operations	<u>--</u>	<u>(0.04)</u>	<u>--</u>	<u>2.00</u>
<b>Net Income (Loss) Per Share - Diluted</b>	<b><u>\$ (1.37)</u></b>	<b><u>\$ 0.23</u></b>	<b><u>\$ (0.32)</u></b>	<b><u>\$ 2.65</u></b>
Weighted Average Shares Outstanding	241	239	241	232

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## The Goodyear Tire & Rubber Company and Subsidiaries

### Consolidated Balance Sheets

<i>(In millions)</i>	December 31, 2008	December 31, 2007
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,894	\$ 3,463
Restricted Cash	12	191
Accounts Receivable, less Allowance - \$93 (\$88 in 2007)	2,547	3,103
Inventories:		
Raw Materials	714	591
Work in Process	119	147
Finished Products	<u>2,759</u>	<u>2,426</u>
	3,592	3,164
Prepaid Expenses and Other Current Assets	<u>295</u>	<u>251</u>
<b>Total Current Assets</b>	<b>8,340</b>	<b>10,172</b>
Goodwill	683	713
Intangible Assets	160	167
Deferred Income Tax	54	83
Other Assets	355	458
Property, Plant and Equipment less Accumulated Depreciation - \$8,310 (\$8,329 in 2007)	<u>5,634</u>	<u>5,598</u>
<b>Total Assets</b>	<b><u>\$ 15,226</u></b>	<b><u>\$ 17,191</u></b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable-Trade	\$ 2,509	\$ 2,422
Compensation and Benefits	624	897
Other Current Liabilities	643	753
United States and Foreign Taxes	156	196
Notes Payable and Overdrafts	265	225
Long Term Debt and Capital Leases due within one year	<u>582</u>	<u>171</u>
<b>Total Current Liabilities</b>	<b>4,779</b>	<b>4,664</b>
Long Term Debt and Capital Leases	4,132	4,329
Compensation and Benefits	3,487	3,404
Deferred and Other Noncurrent Income Taxes	193	274
Other Long Term Liabilities	763	667
Minority Equity in Subsidiaries	<u>850</u>	<u>1,003</u>
<b>Total Liabilities</b>	<b>14,204</b>	<b>14,341</b>
Commitments and Contingent Liabilities		
<b>Shareholders' Equity:</b>		
Preferred Stock, no par value:		
Authorized, 50 shares, unissued	--	--
Common Stock, no par value:		
Authorized, 450 shares, Outstanding shares - 241 (240 in 2007)		
after deducting 10 treasury shares (11 in 2007)	241	240
Capital Surplus	2,702	2,660
Retained Earnings	1,525	1,602
Accumulated Other Comprehensive Loss	<u>(3,446)</u>	<u>(1,652)</u>
<b>Total Shareholders' Equity</b>	<b><u>1,022</u></b>	<b><u>2,850</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 15,226</u></b>	<b><u>\$ 17,191</u></b>

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## Non-GAAP Financial Measures

This earnings release presents total segment operating income and net debt, each of which are important financial measures for the company but are not financial measures defined by GAAP.

Total segment operating income is the sum of the individual strategic business units' segment operating income as determined in accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." 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.

Net debt is total debt (the sum of long term debt and capital leases, notes payable and overdrafts, and long-term debt and capital leases due within one year) minus cash and cash equivalents. Management believes net debt is an important measure of liquidity, which it uses as a tool to assess the company's capital structure and measure its ability to meet its future debt obligations. Cash and cash equivalents are subtracted from the GAAP measure because they could be used to reduce our debt obligations. See the table below for the reconciliation of net debt.

## Total Segment Operating Income (Loss) Reconciliation Table

(In millions)

	Fourth Quarter Ended Dec. 31 (unaudited)		Year Ended Dec. 31	
	2008	2007	2008	2007
	<b>Total Segment Operating Income (Loss)</b>	<b>\$(159)</b>	<b>\$312</b>	<b>\$804</b>
Rationalizations	(50)	(25)	(184)	(49)
Interest expense	(82)	(99)	(320)	(450)
Other income (expense)	(83)	(18)	(59)	(8)
Accelerated depreciation	(11)	(6)	(28)	(37)
Corporate incentive compensation plans	12	(13)	4	(77)
Intercompany profit elimination	29	2	23	(11)
Curtailments/Settlements	2	--	(9)	(64)
Retained expenses of discontinued operations	--	(3)	--	(17)
Other	(7)	(25)	(45)	(53)
<b>Income (Loss) from continuing operations before income taxes and minority interest</b>	<b>(349)</b>	<b>125</b>	<b>186</b>	<b>464</b>
US and foreign taxes	8	(46)	(209)	(255)
Minority interest	11	(18)	(54)	(70)
Income (Loss) from continuing operations	(330)	61	(77)	139
Discontinued operations	--	(9)	--	463
<b>Net Income (Loss)</b>	<b>\$(330)</b>	<b>\$52</b>	<b>\$ (77)</b>	<b>\$602</b>

## Net Debt Reconciliation Table

(In millions)

	Dec. 31, <u>2008</u>	Dec. 31, <u>2007</u>
Long Term Debt and Capital Leases	\$4,132	\$4,329
Notes Payable and Overdrafts	265	225
Long Term Debt and Capital Leases Due Within One Year	<u>582</u>	<u>171</u>
Total Debt	4,979	4,725
Less: Cash and Cash Equivalents	<u>1,894</u>	<u>3,463</u>
Net Debt	<b><u>\$ 3,085</u></b>	<b><u>\$ 1,262</u></b>
Change in Net Debt	<u>\$1,823</u>	

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**Fourth Quarter Significant Items (after taxes and minority interest)****2008**

- Net rationalization charges, \$38 million (16 cents per share).
- Loss on liquidation of a Jamaican subsidiary, \$16 million (7 cents per share).
- Accelerated depreciation, \$11 million (5 cents per share).
- Valuation allowance related to an investment, \$5 million (2 cents per share).
- Expenses related to hurricanes in North America, \$2 million (1 cent per share).
- Gain on asset sales, \$13 million (5 cent per share).
- Various discrete net tax benefits, \$9 million (4 cents per share).
- Gains on settlements with certain suppliers, \$7 million (3 cents per share).

**2007**

- Net rationalization charges, \$20 million (8 cents per share).
- Net loss on T&WA and Washington UK asset sales, \$19 million (8 cents per share).
- Financing fees related to debt conversion, \$17 million (7 cents per share).
- Accelerated depreciation, \$6 million (2 cents per share).
- Reduced tax expense due to a tax law change, \$11 million (4 cents per share).