

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

	(Unaudited)		Year	
	Three Months		Ended	
	Ended		December 31,	
	December 31,		December 31,	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<i>(In millions, except per share amounts)</i>				
<b>NET SALES</b>	<b>\$4,356</b>	<b>\$4,791</b>	<b>\$18,138</b>	<b>\$19,540</b>
Cost of Goods Sold	3,340	3,690	13,906	15,422
Selling, Administrative and General Expense	702	736	2,720	2,758
Rationalizations	15	17	95	58
Interest Expense	113	105	428	392
Other Expense (Income)	<u>60</u>	<u>(15)</u>	<u>302</u>	<u>97</u>
Income before Income Taxes	126	258	687	813
United States and Foreign Taxes	<u>(2,002)</u>	<u>2</u>	<u>(1,834)</u>	<u>138</u>
Net Income	2,128	256	2,521	675
Less: Minority Shareholders' Net Income (Loss)	<u>(1)</u>	<u>21</u>	<u>69</u>	<u>46</u>
Goodyear Net Income	2,129	235	2,452	629
Less: Preferred Stock Dividends	<u>--</u>	<u>7</u>	<u>7</u>	<u>29</u>
<b>Goodyear Net Income Available to Common Shareholders</b>	<b><u>\$ 2,129</u></b>	<b><u>\$ 228</u></b>	<b><u>\$ 2,445</u></b>	<b><u>\$ 600</u></b>
<b>Goodyear Net Income Available to Common Shareholders - Per Share of Common Stock</b>				
Basic	<u>\$ 7.82</u>	<u>\$ 0.92</u>	<u>\$ 9.13</u>	<u>\$ 2.44</u>
Weighted Average Shares Outstanding	272	247	268	246
Diluted	<u>\$ 7.68</u>	<u>\$ 0.84</u>	<u>\$ 8.78</u>	<u>\$ 2.28</u>
Weighted Average Shares Outstanding	277	280	279	277
Cash Dividends Declared Per Common Share	<u>\$ 0.06</u>	<u>\$ --</u>	<u>\$ 0.22</u>	<u>\$ 0.05</u>

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## The Goodyear Tire & Rubber Company and Subsidiaries

### Consolidated Balance Sheets

(In millions, except share data)

	December 31, <u>2014</u>	December 31, <u>2013</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 2,161	\$ 2,996
Accounts Receivable, less Allowance - \$89 (\$99 in 2013)	2,126	2,435
Inventories:		
Raw Materials	535	592
Work in Process	149	164
Finished Products	<u>1,987</u>	<u>2,060</u>
	2,671	2,816
Deferred Income Taxes	570	143
Prepaid Expenses and Other Current Assets	<u>196</u>	<u>254</u>
<b>Total Current Assets</b>	<b>7,724</b>	<b>8,644</b>
Goodwill	601	668
Intangible Assets	138	138
Deferred Income Taxes	1,762	157
Other Assets	731	600
Property, Plant and Equipment		
less Accumulated Depreciation - \$9,031 (\$9,158 in 2013)	<u>7,153</u>	<u>7,320</u>
<b>Total Assets</b>	<b><u>\$ 18,109</u></b>	<b><u>\$ 17,527</u></b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable-Trade	\$ 2,878	\$ 3,097
Compensation and Benefits	724	758
Other Current Liabilities	956	1,083
Notes Payable and Overdrafts	30	14
Long Term Debt and Capital Leases due Within One Year	<u>148</u>	<u>73</u>
<b>Total Current Liabilities</b>	<b>4,736</b>	<b>5,025</b>
Long Term Debt and Capital Leases	6,216	6,162
Compensation and Benefits	1,676	2,673
Deferred and Other Noncurrent Income Taxes	181	256
Other Long Term Liabilities	<u>873</u>	<u>966</u>
<b>Total Liabilities</b>	<b>13,682</b>	<b>15,082</b>
Commitments and Contingent Liabilities		
Minority Shareholders' Equity	582	577
<b>Shareholders' Equity:</b>		
<b>Goodyear Shareholders' Equity:</b>		
Preferred Stock, no par value:		
Authorized, 50 million shares, Outstanding shares – none (10 million in 2013), liquidation preference \$50 per share	--	500
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 269 million (248 million in 2013) after deducting 9 million treasury shares (3 million in 2013)	269	248
Capital Surplus	3,141	2,847
Retained Earnings	4,343	1,958
Accumulated Other Comprehensive Loss	<u>(4,143)</u>	<u>(3,947)</u>
<b>Goodyear Shareholders' Equity</b>	<b>3,610</b>	<b>1,606</b>
Minority Shareholders' Equity – Nonredeemable	<u>235</u>	<u>262</u>
<b>Total Shareholders' Equity</b>	<b>3,845</b>	<b>1,868</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 18,109</u></b>	<b><u>\$ 17,527</u></b>

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## The Goodyear Tire & Rubber Company and Subsidiaries

### Consolidated Statements of Cash Flows

(In millions)

	Year Ended	
	December 31,	
	2014	2013
<b>Cash Flows from Operating Activities:</b>		
<b>Net Income</b>	<b>\$ 2,521</b>	<b>\$ 675</b>
Adjustments to Reconcile Net Income to Cash Flows from Operating Activities:		
Depreciation and Amortization	732	722
Amortization and Write-Off of Debt Issuance Costs	14	18
Provision for Deferred Income Taxes	(1,970)	(34)
Net Pension Curtailments and Settlements	39	--
Net Rationalization Charges	95	58
Rationalization Payments	(226)	(72)
Net Gains on Asset Sales	(3)	(8)
Pension Contributions and Direct Payments	(1,338)	(1,162)
Net Venezuela Currency Losses	200	115
Customer Prepayments and Government Grants	14	44
Insurance Proceeds	4	17
Changes in Operating Assets and Liabilities, Net of Asset Acquisitions and Dispositions:		
Accounts Receivable	75	79
Inventories	(35)	366
Accounts Payable - Trade	(41)	(30)
Compensation and Benefits	223	243
Other Current Liabilities	(40)	(28)
Other Assets and Liabilities	76	(65)
<b>Total Cash Flows from Operating Activities</b>	<b>340</b>	<b>938</b>
<b>Cash Flows from Investing Activities:</b>		
Capital Expenditures	(923)	(1,168)
Asset Dispositions	18	25
Decrease in Restricted Cash	5	14
Short Term Securities Acquired	(72)	(105)
Short Term Securities Redeemed	95	89
Other Transactions	26	9
<b>Total Cash Flows from Investing Activities</b>	<b>(851)</b>	<b>(1,136)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Debt and Overdrafts Incurred	46	31
Short Term Debt and Overdrafts Paid	(24)	(120)
Long Term Debt Incurred	1,842	1,913
Long Term Debt Paid	(1,555)	(681)
Common Stock Issued	39	26
Common Stock Repurchased	(234)	(4)
Common Stock Dividends Paid	(60)	(12)
Preferred Stock Dividends Paid	(15)	(29)
Transactions with Minority Interests in Subsidiaries	(49)	(26)
Debt Related Costs and Other Transactions	(1)	(16)
<b>Total Cash Flows from Financing Activities</b>	<b>(11)</b>	<b>1,082</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(313)	(169)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(835)</b>	<b>715</b>
Cash and Cash Equivalents at Beginning of the Period	2,996	2,281
<b>Cash and Cash Equivalents at End of the Period</b>	<b>\$ 2,161</b>	<b>\$ 2,996</b>

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## Non-GAAP Financial Measures (unaudited)

This earnings release presents Total Segment Operating Income, Free Cash Flow from Operations, Adjusted Net Income and Adjusted Diluted Earnings Per Share (EPS) on a historical basis and our targeted Total Segment Operating Income growth rate for 2015-2016 and our targeted ratio of Adjusted Debt to EBITDAP for 2016, which are important financial measures for the company but are not financial measures defined by U.S. GAAP, and should not be construed as an alternative to corresponding financial measures presented in accordance with U.S. GAAP.

Total Segment Operating Income is the sum of the individual strategic business units' (SBUs) 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.

Free Cash Flow from Operations is the company's Cash Flows from Operating Activities as determined in accordance with U.S. GAAP before pension contributions and direct payments and rationalization payments, less capital expenditures. Management believes that Free Cash Flow from Operations is useful because it represents the cash generating capability of the company's ongoing operations, after taking into consideration capital expenditures necessary to maintain its business and pursue growth opportunities.

Adjusted Net Income is Goodyear's Net Income as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted EPS is the company's Adjusted Net Income divided by Weighted Average Shares Outstanding-Diluted as determined in accordance with U.S. GAAP. Management believes that Adjusted Net Income and Adjusted Diluted EPS are useful because they represent how management reviews the operating results of the company excluding the impacts of rationalizations, asset write-offs, accelerated depreciation, asset sales and certain other significant items.

Adjusted Debt is the sum of our total debt and our global pension liability, each as determined in accordance with U.S. GAAP, and EBITDAP, as adjusted, represents Net Income (the most directly comparable U.S. GAAP financial measure) before interest expense, income tax expense, depreciation and amortization expense, net periodic pension cost, rationalization charges and other (income) and expense. We refer to the ratio of Adjusted Debt to EBITDAP because we believe it is widely used by investors as a means of evaluating a company's leverage.

We are unable to present a quantitative reconciliation of our forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures, because management cannot reliably predict all of the necessary components of those U.S. GAAP financial measures without unreasonable effort. These components could be significant to the calculation of those U.S. GAAP financial measures in the future.

It should be noted that other companies may calculate similarly-titled non-GAAP financial measures differently and, as a result, the measures presented herein may not be comparable to such similarly-titled measures reported by other companies.

See the tables below for reconciliations of historical Total Segment Operating Income, Free Cash Flow from Operations, Adjusted Net Income and Adjusted Diluted EPS to the most directly comparable U.S. GAAP measures.

## Total Segment Operating Income and Margin Reconciliation Table

	Three Months Ended December 31,		Year Ended December 31,	
<i>(In millions)</i>	2014	2013	2014	2013
<b>Segment Operating Income</b>	<b>\$359</b>	<b>\$419</b>	<b>\$1,712</b>	<b>\$1,580</b>
Rationalizations	15	17	95	58
Interest Expense	113	105	428	392
Other (Income) Expense	60	(15)	302	97
Asset Write-offs and Accelerated Depreciation	4	8	7	23
Corporate Incentive Compensation Plans	28	29	97	108
Corporate Pension Curtailments/Settlements	--	--	33	--
Intercompany Profit Elimination	(8)	(9)	(4)	(4)
Retained Expenses of Divested Operations	5	7	16	24
Other	16	19	51	69
<b>Income before Income Taxes</b>	<b>\$126</b>	<b>\$258</b>	<b>\$687</b>	<b>\$813</b>
United States and Foreign Taxes	(2,002)	2	(1,834)	138
Less: Minority Shareholders Net Income (Loss)	(1)	21	69	46
<b>Goodyear Net Income</b>	<b>\$2,129</b>	<b>\$235</b>	<b>\$2,452</b>	<b>\$629</b>
Sales	\$4,356	\$4,791	\$18,138	\$19,540
Return on Sales	48.9%	4.9%	13.5%	3.2%
Total Segment Operating Margin	8.2%	8.7%	9.4%	8.1%

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## Free Cash Flow from Operations Reconciliation Table

(in millions)	Year Ended	
	December 31,	
	2014	2013
<b>Net Income</b>	<b>\$2,521</b>	<b>\$675</b>
Depreciation and Amortization	732	722
Working Capital (1)	(1)	415
Pension Expense (2)	158	285
Provision for Deferred Income Taxes	(1,970)	(34)
Other (3)	464	109
Capital Expenditures	(923)	(1,168)
<b>Free Cash Flow from Operations (non-GAAP)</b>	<b>\$981</b>	<b>\$1,004</b>
Capital Expenditures	923	1,168
Pension Contributions and Direct Payments	(1,338)	(1,162)
Rationalization Payments	(226)	(72)
<b>Cash Flow from Operating Activities (GAAP)</b>	<b>\$340</b>	<b>\$938</b>

Amounts are calculated from the consolidated Statements of Cash Flows except for pension expense, which is as reported in the Notes to Consolidated Financial Statements.

(1) Working Capital represents total changes in accounts receivable, inventories and accounts payable – trade.

(2) Pension expense is the net periodic pension cost (before curtailments, settlements and termination benefits) as reported in the pension-related note in the Notes to Consolidated Financial Statements.

(3) Other includes amortization and write-off of debt issuance costs, net pension curtailments and settlements, net rationalization charges, net (gains) losses on asset sales, net Venezuela currency loss, customer prepayments and government grants, insurance proceeds, compensation and benefits less pension expense, other current liabilities, and other assets and liabilities.

## Adjusted Net Income Reflecting Certain Significant Items (after tax and minority interest)

Fourth Quarter 2014	In Millions	Per Share
		(Diluted)
<b>Goodyear Net Income</b>	<b>\$ 2,129</b>	<b>\$ 7.68</b>
Significant Items:		
Net Venezuela Currency Losses	45	0.16
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	12	0.04
Net Income and Other Discrete Tax Benefits	(2,013)	(7.26)
Net Gains on Asset Sales	(7)	(0.03)
	<b>\$ (1,963)</b>	<b>\$ (7.09)</b>
<b>Adjusted Net Income (non-GAAP)</b>	<b>\$ 166</b>	<b>\$ 0.59</b>

Fourth Quarter 2013	In Millions	Per Share
		(Diluted)
<b>Goodyear Net Income</b>	<b>\$ 235</b>	<b>\$ 0.84</b>
Significant Items:		
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	17	0.06
Net Income and Other Discrete Tax Items	(41)	(0.15)
Net Gains on Asset Sales	(2)	(0.01)
	<b>\$ (26)</b>	<b>\$ (0.10)</b>
<b>Adjusted Net Income (non-GAAP)</b>	<b>\$ 209</b>	<b>\$ 0.74</b>

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**Adjusted Net Income Reflecting Certain Significant Items (after tax and minority interest)**

<b>Full-Year 2014</b>	<b>In Millions</b>	<b>Per Share (Diluted)</b>
<b>Goodyear Net Income</b>	<b>\$ 2,452</b>	<b>\$ 8.78</b>
Significant Items:		
Net Venezuela Currency Losses	175	0.63
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	71	0.25
Pension Curtailments and Settlements	36	0.13
Charges Relating to Labor Claims with Respect to a Previously Closed Facility in Greece	22	0.08
Charge Relating to Government Investigation in Africa	16	0.06
Net Income and Other Discrete Tax Benefits	(1,978)	(7.09)
Net Gains on Asset Sales	(4)	(0.01)
	<u>\$ (1,662)</u>	<u>\$ (5.95)</u>
<b>Adjusted Net Income (non-GAAP)</b>	<b>\$ 790</b>	<b>\$ 2.83</b>

<b>Full-Year 2013</b>	<b>In Millions</b>	<b>Per Share (Diluted)</b>
<b>Goodyear Net Income</b>	<b>\$ 629</b>	<b>\$ 2.28</b>
Significant Items:		
Net Venezuela Currency Losses	92	0.33
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	58	0.21
Charges Relating to Labor Claims with Respect to a Previously Closed Facility in Greece	6	0.02
Net Income and Other Discrete Tax Benefits	(47)	(0.17)
Net Gains on Asset Sales	(7)	(0.02)
Net Insurance Recoveries from 2011 Thailand Flood	(6)	(0.02)
	<u>\$ 96</u>	<u>\$ 0.35</u>
<b>Adjusted Net Income (non-GAAP)</b>	<b>\$ 725</b>	<b>\$ 2.63</b>