

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

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2008</u>	<u>2007</u>
NET SALES	\$4,942	\$4,499
Cost of Goods Sold	3,961	3,741
Selling, Administrative and General Expense	635	663
Rationalizations	13	15
Interest Expense	89	125
Other (Income) and Expense	<u>(6)</u>	<u>(20)</u>
Income (Loss) from Continuing Operations before Income Taxes and Minority Interest	250	(25)
United States and Foreign Taxes	77	63
Minority Interest	<u>26</u>	<u>22</u>
Income (Loss) from Continuing Operations	147	(110)
Discontinued Operations	<u>--</u>	<u>(64)</u>
NET INCOME (LOSS)	<u>\$ 147</u>	<u>\$ (174)</u>
Income (Loss) Per Share - Basic		
Income (Loss) from Continuing Operations	\$ 0.61	\$ (0.61)
Discontinued Operations	<u>--</u>	<u>(0.35)</u>
Net Income (Loss) Per Share - Basic	<u>\$ 0.61</u>	<u>\$ (0.96)</u>
Weighted Average Shares Outstanding	240	180
Income (Loss) Per Share - Diluted		
Income (Loss) from Continuing Operations	\$ 0.60	\$ (0.61)
Discontinued Operations	<u>--</u>	<u>(0.35)</u>
Net Income (Loss) Per Share - Diluted	<u>\$ 0.60</u>	<u>\$ (0.96)</u>
Weighted Average Shares Outstanding	244	180

(more)

The Goodyear Tire & Rubber Company and Subsidiaries

Consolidated Balance Sheet (unaudited)

(In millions)

	March 31, 2008	December 31, 2007
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,216	\$ 3,463
Restricted Cash	190	191
Accounts Receivable, less Allowance - \$88 (\$88 in 2007)	3,629	3,103
Inventories:		
Raw Materials	576	591
Work in Process	159	147
Finished Products	<u>2,797</u>	<u>2,426</u>
	3,532	3,164
Prepaid Expenses and Other Current Assets	<u>257</u>	<u>251</u>
Total Current Assets	9,824	10,172
Goodwill	783	713
Intangible Assets	165	167
Deferred Income Tax	81	83
Other Assets	439	458
Property, Plant and Equipment		
less Accumulated Depreciation - \$8,586 (\$8,329 in 2007)	<u>5,808</u>	<u>5,598</u>
Total Assets	<u>\$ 17,100</u>	<u>\$ 17,191</u>
Liabilities:		
Current Liabilities:		
Accounts Payable-Trade	\$ 2,513	\$ 2,422
Compensation and Benefits	925	897
Other Current Liabilities	752	753
United States and Foreign Taxes	246	196
Notes Payable and Overdrafts	300	225
Long Term Debt and Capital Leases due within one year	<u>92</u>	<u>171</u>
Total Current Liabilities	4,828	4,664
Long Term Debt and Capital Leases	3,684	4,329
Compensation and Benefits	3,327	3,404
Deferred and Other Noncurrent Income Taxes	295	274
Other Long Term Liabilities	662	667
Minority Equity in Subsidiaries	<u>1,087</u>	<u>1,003</u>
Total Liabilities	13,883	14,341
Commitments and Contingent Liabilities		
Shareholders' Equity:		
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	241	240
10 treasury shares (10 in 2007)		
Capital Surplus	2,668	2,660
Retained Earnings	1,749	1,602
Accumulated Other Comprehensive Loss	<u>(1,441)</u>	<u>(1,652)</u>
Total Shareholders' Equity	3,217	2,850
Total Liabilities and Shareholders' Equity	<u>\$ 17,100</u>	<u>\$ 17,191</u>

(more)

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 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 Reconciliation Table

(In millions)

	Quarter Ended	
	March 31,	
	(unaudited)	
	<u>2008</u>	<u>2007</u>
Total Segment Operating Income	\$ 367	\$ 226
Rationalizations	(13)	(15)
Accelerated depreciation	--	(17)
Interest expense	(89)	(125)
Corporate incentive and stock-based compensation plans	(4)	(16)
Intercompany profit elimination	(9)	(17)
Curtailment	--	(64)
Retained expenses of discontinued operations	--	(4)
Other income and (expense)	6	18
Other	(8)	(11)
Income (Loss) from continuing operations before income taxes and minority interest	250	(25)
US and foreign taxes	77	63
Minority interest in net income of subsidiaries	26	(22)
Income (Loss) from continuing operations	147	(110)
Discontinued operations	--	(64)
Net Income (Loss)	\$ 147	\$ (174)

Net Debt Reconciliation Table

(In millions)

	March 31,	Dec. 31,
	2008	2007
Long term debt and capital leases	\$ 3,684	\$ 4,329
Notes payable and overdrafts	300	225
Long term debt and capital leases due within one year	<u>92</u>	<u>171</u>
Total debt	4,076	4,725
Less: cash and cash equivalents	<u>2,216</u>	<u>3,463</u>
Net Debt	\$ 1,860	\$ 1,262
Change in Net Debt	<u>\$ 598</u>	

(more)

First Quarter Significant Items (after tax) Impacting Continuing Operations

2008

- Financing fees related to debt repayment, \$43 million (18 cents per share)
- Rationalization charges, \$13 million (5 cents per share)
- Gain on asset sales, \$33 million (13 cents per share)
- Gain on excise tax settlement in Latin America, \$8 million (3 cents per share)

2007

- Curtailment charge related to salaried benefit plan changes, \$64 million (35 cents per share)
- Estimated impact of USW strike, \$34 million (19 cents per share)
- Rationalization charges including accelerated depreciation, \$31 million (17 cents per share)
- Loss due to a plant fire in Asia, \$3 million (2 cents per share)
- Gain on a property sale in Asia, \$6 million (3 cents per share)