
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

March 23, 2007

The Goodyear Tire & Rubber Company

(Exact name of registrant as specified in its charter)

Ohio

1-1927

34-0253240

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1144 East Market Street, Akron, Ohio

44316-0001

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

330-796-2121

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On March 23, 2007, The Goodyear Tire & Rubber Company ("Goodyear") entered into a Purchase and Sale Agreement (the "Agreement") with EPD, Inc. (the "Buyer"), a company controlled by Carlyle Partners IV, L.P., an affiliate of The Carlyle Group. Pursuant to the terms and subject to the conditions set forth in the Agreement, the Buyer has agreed to purchase substantially all of the business activities and operations of Goodyear's Engineered Products division (the "EPD Business"). The EPD Business manufactures and markets engineered rubber products for industrial, military, consumer and transportation end-users and its product portfolio includes hose, conveyer belts, power transmission products, rubber track, molded products and air springs. The purchase price to be paid by the Buyer is \$1.475 billion in cash, subject to adjustment for cash, debt, changes in working capital and certain employment related liabilities as of the closing date.

Goodyear and the Buyer have each made customary representations, warranties and covenants in the Agreement, including, among others, Goodyear's covenant to operate the EPD Business in the ordinary course of business consistent with past practice between the execution of the Agreement and the closing of the transaction. Significant other covenants include (i) the Buyer promptly entering into good-faith negotiations with the United Steelworkers (the "USW") for the purpose of entering into a new master labor agreement covering those employees in EPD Business facilities in the United States currently covered by Goodyear's master labor agreement with the USW (the "EPD Master Labor Agreement") and (ii) Goodyear agreeing, subject to certain limited exceptions, not to compete with the Buyer by conducting or participating in a business that competes with the EPD Business for a period of three years after the closing. Goodyear and the Buyer each agreed to indemnify the other for certain losses arising out of breaches of representations and warranties, covenants and other specified matters. As part of the consideration for the purchase price, Goodyear has also agreed to retain various liabilities related to the EPD Business, including, among others, liabilities arising out of the EPD Business prior to closing with respect to asbestos, workers compensation, product liability, environmental and hazardous substance exposure matters. Goodyear will also remain responsible for liabilities and obligations (i) under its domestic pension plans related to service by employees of the EPD Business prior to the date of closing, and (ii) associated with providing other post employment benefits for employees who are not transferred along with the EPD Business.

The closing of the transaction is subject to the receipt of antitrust and other governmental approvals and other customary closing conditions. In addition, the closing of the transaction is subject to the Buyer entering into the EPD Master Labor Agreement prior to closing. The Buyer's receipt of the proceeds of its contemplated financing is not a condition to closing. If the Agreement is terminated, Goodyear is entitled to a termination fee of \$50 million under certain circumstances as set forth in the Agreement.

In connection with the closing of the transaction, the parties have agreed to enter into certain other agreements, including a Trademark License Agreement that permits the use of the Goodyear brand and certain other trademarks by the EPD Business in licensed products for a period of 12 years. The initial consideration for the use of the trademarks is included in the purchase price. In addition, the Trademark License Agreement may be extended for two additional five year terms at the option of the Buyer, subject to payment of royalties.

A copy of Goodyear's press release announcing the foregoing transaction is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

News Release dated March 23, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Goodyear Tire & Rubber Company

By: *Richard J. Kramer*

Name: Richard J. Kramer

Title: President, North American Tire and Chief Financial Officer

March 23, 2007

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	News Release dated March 23, 2007

News Release

Corporate Headquarters:
1144 East Market Street,
Akron, Ohio 44316-0001

Media Website: www.GoodyearNewsRoom.com

MEDIA CONTACT: Keith Price

330-796-1863

ANALYST CONTACT: Greg Dooley

330-796-6704

FOR IMMEDIATE RELEASE

#23450fi.307

Goodyear to Sell Engineered Products Business to The Carlyle Group

- **Sale reinforces focus on core tire businesses —**
- **Plans to reduce debt, address legacy costs, support growth —**

AKRON, Ohio, March 23, 2007 – The Goodyear Tire & Rubber Company today announced that it has agreed to sell substantially all of its Engineered Products business to

EPD, Inc., an entity sponsored by Carlyle Partners IV, L.P., for \$1.475 billion, subject to certain post-closing adjustments.

The transaction is subject to customary closing conditions, including the receipt of regulatory approvals as well as EPD's completion of a labor agreement with the United Steelworkers union.

As part of the transaction, Goodyear has agreed to a trademark licensing agreement with EPD to use the Goodyear brand and certain other trademarks in connection with the Engineered Products business.

Goodyear expects to record a gain on the sale, the amount of which has not yet been finalized.

“This transaction reinforces our focus on our core consumer and commercial tire businesses and on improving our balance sheet,” said Robert J. Keegan, Goodyear chairman and chief executive officer. “We anticipate using the proceeds for purposes including reducing debt, addressing legacy obligations and supporting growth in our tire businesses.” Specific plans regarding debt reduction and investments will be announced at a later date.

“Engineered Products is a successful business with outstanding associates who have made important contributions to Goodyear. We thank them for these contributions,” he added.

“I’m confident the resources and business philosophy of Carlyle will support Engineered Products’ growth and continued success going forward.”

(more)

Timothy R. Toppen, president, Goodyear Engineered Products, said the transaction will not interfere with its daily operations or on meeting customer needs.

“The cornerstone of our operating philosophy stays intact – we want to help our customers grow their businesses for the long-term,” he said.

Goodyear Engineered Products operates 32 facilities in 12 countries and has approximately 6,500 associates. It manufactures and markets engineered rubber products for industrial, military, consumer and transportation original equipment end-users. The product portfolio of the business includes hose, conveyor belts, power transmission products, rubber track, molded products and air springs. In 2006, Engineered Products had sales of approximately \$1.5 billion.

The Carlyle Group is one of the world’s largest private equity firms with \$54.5 billion under management, investments in more than 185 companies and 750 employees in 16 countries. In the aggregate, Carlyle portfolio companies have more than \$68 billion in revenue and employ more than 200,000 people around the world.

Goodyear is one of the world’s largest tire companies. The company manufactures tires, engineered rubber products and chemicals in more than 90 facilities in 28 countries around the world. Goodyear employs more than 75,000 people worldwide.

Certain information contained in this press release may constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various factors, including whether or not the parties receive the necessary governmental and regulatory approvals for the transaction and whether or not the closing conditions to the transaction including the successful negotiation of a labor agreement with the United Steelworkers (USW) are satisfied. There are a variety of additional factors, many of which are beyond the company’s control, which affect its operations, performance, business strategy and results and could cause its actual results and experience to differ materially from the assumptions, expectations and objectives expressed in any forward-looking statements. These factors include, but are not limited to: actions and initiatives taken by both current and potential competitors; increases in the prices paid for raw materials and energy; the company’s ability to realize anticipated savings and operational benefits from its cost reduction initiatives, including those expected to be achieved under the company’s master labor contract with the USW and those related to the closure of certain of the company’s manufacturing facilities; whether or not the various contingencies and requirements are met for the establishment of the Voluntary Employee Beneficiary Association (VEBA) to be established to provide healthcare benefits for current and future USW retirees; potential adverse consequences of litigation involving the company; pension plan funding obligations as well as the effects of more general factors such as changes in general market or economic conditions or in legislation, regulation or public policy. Additional factors are discussed in the company’s filings with the Securities and Exchange Commission, including the company’s annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. In addition, any

forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.