



GOOD YEAR

2007 Second Quarter Conference Call

July 26, 2007

Forward-Looking Statements



Certain information contained in this presentation may constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. There are a variety of 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 United Steelworkers (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 Employees' Beneficiary Association (VEBA) to provide healthcare benefits for current and future USW retirees; the company's ability to execute its capital structure improvement plan, including completing the sale of its Engineered Products business; 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.

Agenda



- **Second Quarter Highlights**
- **Strategy Update**
- **Second Quarter Financial Results**
- **Outlook**
- **Q&A**

Second Quarter Highlights



- **Record tire business sales, up 4%**
 - Revenue per tire grew 6% year-over-year
- **Tire business segment operating income up 32%**
- **Gross margin increased to 19.4%**
- **Price/mix improvements more than offset raw material cost increases**
- **Emerging markets businesses grew sales 15%**

Business Platforms



- **Strong top-line growth capability**
- **Step change improvement in cost structure**
- **Stronger balance sheet**
- **Focus on core businesses**
- **Focus on speed**

Focus on Speed

Accelerating the Pace of Change



Prior to Q2 Actions

- Eliminated tire production in Valleyfield
- Closed unprofitable operations in Morocco
- Signed new 5-year agreement with NASCAR
- Launched impactful and innovative new products
- New “Get There” advertising campaign
- North American factories quickly back to full pre-strike production
- Repaid borrowings under revolving credit lines
- Announced restructuring of salaried benefit plans
- Announced and closed credit facilities refinancing
- Announced agreement to sell the Engineered Products Division

Q2 Actions

- + Raised \$833 million in equity offering
- + Redeemed \$315 million of long-term debt
- + Additional new product/ technology launches
- + VEBA process underway

Strong Top-Line Growth Capability



- **Introduce innovative and impactful new products**
 - **Continually richer product and brand mix**
- **Focus marketing spend in key targeted market segments**
- **Increase high-value-added product capacity by 40% over five years**
- **Accelerate supply chain improvements / achieve an advantaged capability**

Step Change Improvement in Cost Structure



4-Point Cost Savings Plan

Continuous Improvement / USW savings

- USW Contract Savings
- Business Process Improvements (Productivity, Six Sigma, Lean)
- Product Reformulation
- Safety

Savings by 2009: \$1.25 – \$1.4 billion
Progress in 2006: Nearly \$300 million

Reduce Footprint

- Global high cost footprint focus
 - Target more than 25 million unit footprint reduction
 - \$150 – \$250 million cash cost
- Ongoing effort beyond 2008

Savings by 2009: More than \$150 million
Announced to date: \$135 million

Asian Sourcing

- Raw Materials
- Low Cost Tires
- Capital Equipment
- Indirect Purchases

Savings by 2009: \$200 – \$300 million
Progress in 2006: Nearly \$35 million

Selling, Administrative & General

- Back-office Consolidation
- Legal Entity Reduction
- Headcount Rationalization
- Warehouse Consolidation

Savings by 2009: \$200 – \$250 million
Progress in 2006: More than \$100 million

Target \$1.8 – \$2.0 billion in gross cost savings by the end of 2009

Step Change Improvement in Cost Structure



- **Reduce cost structure and align global manufacturing capacity with demand**
 - **Increase low-cost capacity by 33% through investments in existing facilities**
 - **Strategy is to have approximately 50% of production capacity in low-cost manufacturing within five years**

Stronger Balance Sheet



Capital Structure Improvement Plan

| | Status |
|---|------------|
| Stage 1: Improve near-term liquidity and bank maturity | |
| April 2003 restructuring | Completed |
| \$1.3 billion asset-based facility | Completed |
| Stage 2: Improve liquidity | |
| \$650 million senior secured notes | Completed |
| \$650 million asset-based term loan | Completed |
| Stage 3: Continue to extend intermediate-term maturities and reduce overall leverage | |
| \$350 million 4% convertible senior notes due 2034 | Completed |
| Debt | |
| €275 million pan-European account receivable securitization facility | Completed |
| \$3.65 billion to refinance U.S. and European credit facilities | Completed |
| \$400 million 9% senior unsecured notes due 2015 | Completed |
| \$1 billion of senior notes | Completed |
| 2007 credit facilities refinancing | Completed |
| Asset Sales | In process |
| Equity | Completed |

Goal is more competitive balance sheet that supports reliable access to capital throughout economic cycle

Focus on Core Businesses

Exiting Non-Core Businesses



- **Engineered Products Division**
- **North American Farm Tire**
- **Certain segments of private label tire business**
- **Tire fabric business**
- **Rubber plantation**
- **Adhesive resins business**

Focusing resources on profitable growth opportunities

Next Stage Metrics



| | 2005 | Next Stage Metrics |
|---|--------------------|--------------------|
| North American Segment Operating Margin | 1.8% | 5% |
| Total Segment Operating Margin^(a) | 5.9% | 8% |
| Debt^{(a)(b)} | 3.2x EBITDA | 2.5x EBITDA |

(a) FY 2005 total segment operating margin and debt reconciliations in Appendix on pages 7 & 8

(b) EBITDA is calculated in accordance with the definition of Consolidated EBITDA in our principal credit facilities, as in effect in 2005 (reconciliation in Appendix on page 8), and differs from Covenant EBITDA, which is calculated in accordance with our credit facilities amended and restated in April 2007 ¹²

Second Quarter Performance



Total Company

(In millions, except Margin and EPS)

| | 2006 | 2007 | Change |
|--|----------|---------|---------|
| Units | 54.0 | 50.8 | -6% |
| Net Sales | \$4,738 | \$4,921 | 4% |
| Gross Margin | 16.6% | 19.4% | 2.8 pts |
| Segment Operating Income ¹ | \$234 | \$309 | 32% |
| Segment Operating Margin ¹ | 4.9% | 6.3% | 1.4 pts |
| Income (Loss) from Continuing Operations | (\$33) | \$29 | |
| Net Income (Loss) | \$2 | \$56 | |
| Income (Loss) per Share from Continuing Operations - Diluted | (\$0.19) | \$0.14 | |
| Net Income (Loss) per Share - Diluted | \$0.01 | \$0.26 | |

1) Segment operating income and margin reconciliation in Appendix on page 9

Balance Sheet



(\$ in millions)

| | December 31, 2006 | June 30, 2007 |
|-------------------------------|------------------------------|--------------------------|
| Cash and cash equivalents | \$3,862 | \$2,328 |
| Accounts and notes receivable | 2,800 | 3,372 |
| Inventories | 2,601 | 2,937 |
| Accounts payable - trade | <u>(1,945)</u> | <u>(2,131)</u> |
| Working capital ¹ | \$3,456 | \$4,178 |
| Total debt | \$7,210 | \$5,453 |
| Net Debt ² | \$3,348 | \$3,125 |

1) Working capital represents accounts and notes receivable and inventories, less accounts payable - trade

2) Net Debt reconciliation in Appendix on page 10

First Half 2007 Cash Flow



(\$ in millions)

| | <u>2006</u> | <u>2007</u> |
|--|----------------|----------------|
| Income (Loss) from Continuing Operations | \$13 | (\$81) |
| Depreciation and amortization ¹ | 344 | 333 |
| Working capital ² | (586) | (642) |
| Pension contributions | (199) | (245) |
| Compensation and benefits | 191 | 200 |
| Insurance recoveries | 43 | - |
| Other | (64) | (78) |
| Cash Flows from Continuing Operations ³ | <u>(\$258)</u> | <u>(\$513)</u> |
| Discontinued Operations | 55 | 5 |
| Cash Flows from Operations | <u>(\$203)</u> | <u>(\$508)</u> |
| Memo: | | |
| Capital Expenditures | \$257 | \$227 |

1) Includes amortization of debt issuance costs

2) Working capital represents accounts and notes receivable and inventories, less accounts payable - trade

3) Cash flows from operations reconciliation in Appendix on page 11

Second Quarter Performance



North American Tire

(In millions)

| | <u>2006</u> | <u>2007</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| Units | 23.3 | 20.8 | -11% |
| Net Sales | \$2,340 | \$2,276 | -3% |
| Segment Operating Income | \$6 | \$53 | 783% |

- Improved results despite weak industry conditions
- Price/mix improvements more than offset raw material cost increases
- Revenue per tire up 6%
- Lower units driven by exit from wholesale private label / weak OE volume
- Goodyear brand continues to gain share
- Improving cost structure
- Strike impact on SOI of \$5 million in Q2; \$40 - \$45 million for 2H07

Second Quarter Performance



European Union Tire

(In millions)

| | <u>2006</u> | <u>2007</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| Units | 15.7 | 15.0 | -5% |
| Net Sales | \$1,250 | \$1,323 | 6% |
| Segment Operating Income | \$58 | \$62 | 7% |

- **Commercial truck strong**
- **Consumer OE strong**
- **Consumer replacement challenges**
- **Price/mix improvements more than offset raw material cost increases**
- **Revenue per tire increased 5%**
- **Favorable currency translation**
- **Higher advertising spend to support new products**

Second Quarter Performance



Eastern Europe, Middle East and Africa Tire

(In millions)

| | <u>2006</u> | <u>2007</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| Units | 5.0 | 4.8 | -5% |
| Net Sales | \$384 | \$436 | 14% |
| Segment Operating Income | \$59 | \$63 | 7% |

- **Record Q2 sales and segment operating income**
- **Price/mix improvements more than offset raw material cost increases**
- **Revenue per tire increased 14%**
- **Higher conversion costs**

Second Quarter Performance



Latin American Tire

(In millions)

| | <u>2006</u> | <u>2007</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| Units | 5.0 | 5.4 | 9% |
| Net Sales | \$387 | \$458 | 18% |
| Segment Operating Income | \$83 | \$90 | 8% |

- **Record Q2 sales and segment operating income**
- **Strong performance in all key markets**
- **Favorable currency translation**
- **Competitive pricing environment due to stronger currency in Brazil**
- **Higher conversion costs**

Second Quarter Performance



Asia Pacific Tire

(In millions)

| | <u>2006</u> | <u>2007</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| Units | 5.0 | 4.8 | -3% |
| Net Sales | \$377 | \$428 | 14% |
| Segment Operating Income | \$28 | \$41 | 46% |

- **Record sales and segment operating income**
- **Revenue per tire increased 8%**
- **Price/mix improvements more than offset raw material cost increases**
- **Supply constraints due to fire in Thailand plant during Q1**

Outlook



| 2007 Industry Outlook | | Original Equipment | | Replacement | |
|-----------------------|-----------|--------------------|------------|-------------|------------|
| | | Consumer | Commercial | Consumer | Commercial |
| North America: | Full Year | (3)% | (30)% | 1% - 2% | (4)% |
| European Union: | Full Year | 0% - 0.5% | 20% | (2)% - (1)% | 2% - 3% |

- **Full Year 2007**

- Raw material costs expected to increase 4 – 6%
- Interest expense of \$490 – \$510 million
- Capital expenditures of \$750 – \$800 million
- Tax expense about 30% of international segment operating income

Summary



- **Successful execution against strategies**
- **Solid results despite soft conditions in key markets**
- **Emerging markets businesses continue to perform well**
- **Industry-leading pace of new product introductions**
- **Balance sheet improvement initiatives moving forward**
- **Revised full year industry outlook**
- **Strong platforms for growth going forward**
- **Remain focused on Next Stage Metrics**



Appendix

7 Strategic Drivers



Leadership

Lower Cost Structure

Cash is King

Leveraged Distribution

Build Brand Strength

Product Leadership

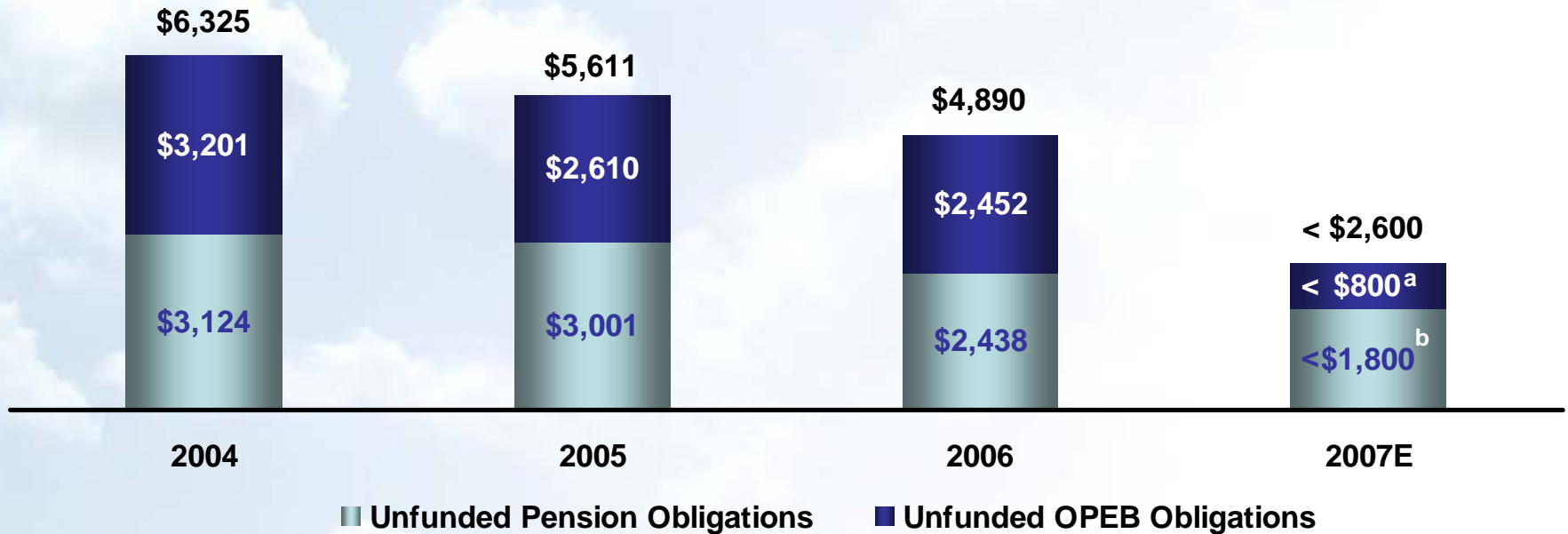
Advantaged Supply Chain

Stronger Balance Sheet

Legacy Obligations Addressed



(\$ in millions)



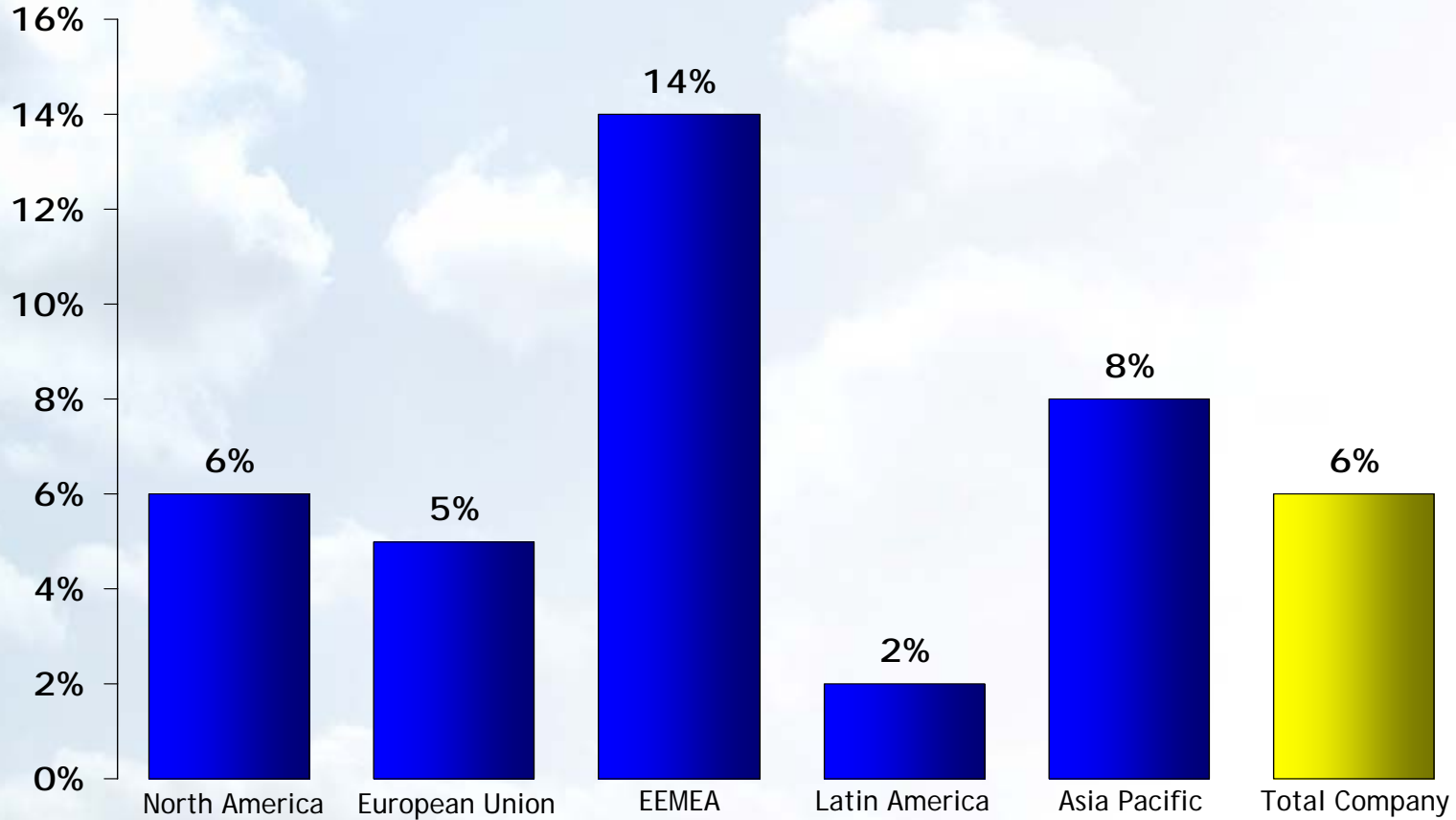
Significant Reduction in Legacy Obligations

(a) Assumes VEBA approval process is completed and all appeals are exhausted by year-end.
 (b) Assumes US discount rate of 6%.

Second Quarter 2007 Revenue Per Tire Increase



(Y-o-Y, excluding impact of exchange)

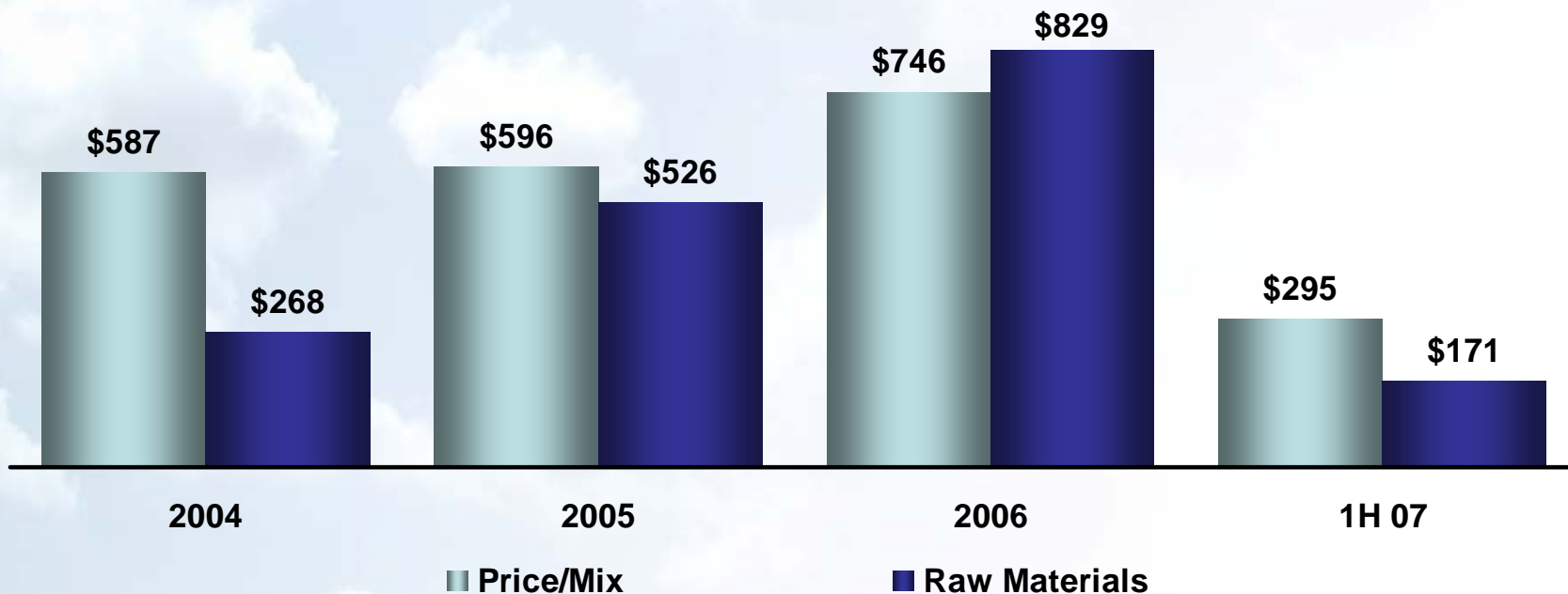


Driven by price/mix improvement

Price/Mix versus Raw Materials



(\$ in millions)

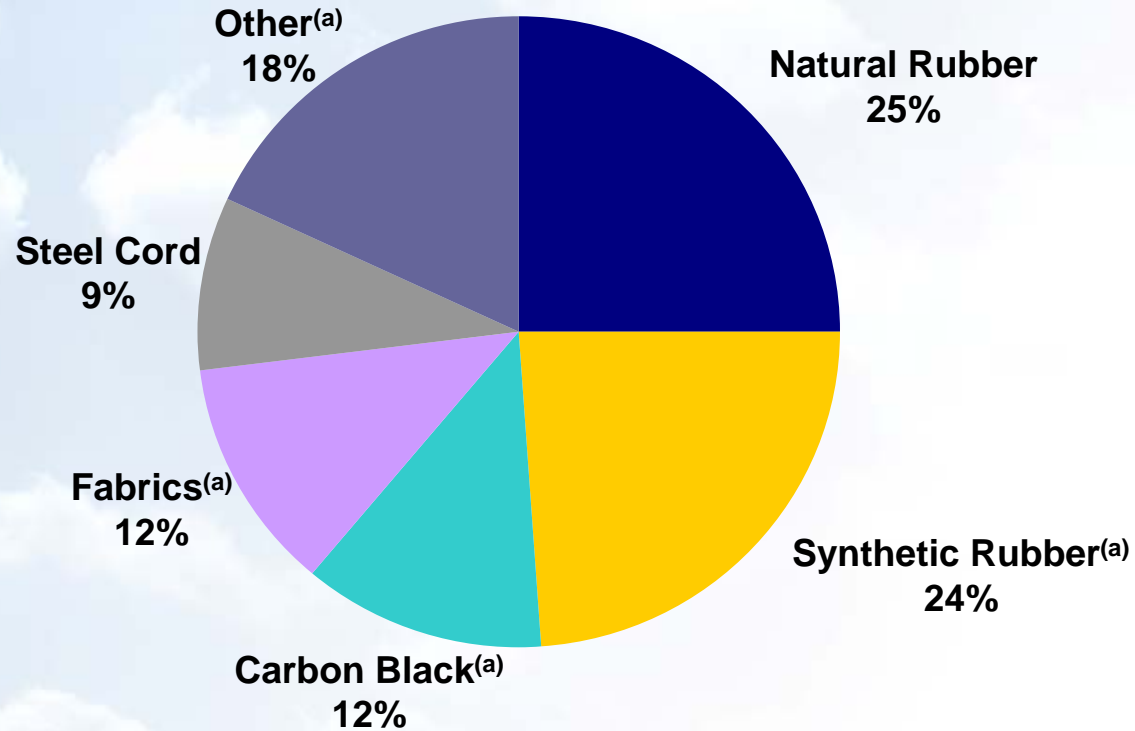


Note: Reflects tire businesses only.

Raw Material Cost



Raw material cost breakdown



Note: As of FY 2006.
(a) Dependent upon oil.

Raw materials make up about 35% of COGS

Second Quarter Significant Items Impacting Continuing Operations (after tax)



- 2007
 - Debt retirement expense, \$47 million (20 cents per share)
 - Rationalization and accelerated depreciation charges, \$15 million (6 cents per share)
 - Costs related to fire at factory in Thailand, \$4 million (2 cents per share)
 - Impact of USW strike due to lost sales, \$5 million (2 cents per share)
 - Out of period tax benefit to correct deferred taxes in Colombia, \$11 million (5 cents per share)
 - Gain on asset sales, \$8 million (3 cents per share)
- 2006
 - Rationalization and accelerated depreciation charges, \$63 million (36 cents per share)

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

Twelve Months Ended December 31, 2005

| | |
|--|----------|
| Total Segment Operating Income | \$1,164 |
| Rationalizations and asset sales | (47) |
| Accelerated depreciation, asset impairment and asset write-offs | (5) |
| Interest expense | (411) |
| Foreign currency exchange | (22) |
| Minority interest in net income of subsidiaries | (95) |
| Financing fees | (109) |
| General and product liability-discontinued products | (9) |
| Professional fees ^(a) | (25) |
| Corporate incentive and stock based compensation plans | (11) |
| Net insurance settlement gains | 43 |
| Intercompany profit elimination | 13 |
| Interest income | 59 |
| Other | (56) |
| Income (loss) before income taxes and cumulative effect of accounting change | \$489 |
| United States and foreign taxes on income (loss) | (250) |
| Net Income (Loss) Before Cumulative Effect of Accounting Change | 239 |
| Cumulative effect of account change, net of income taxes and minority interest | (11) |
| Net Income (Loss) | \$228 |
| Net Income (Loss) | \$228 |
| Sales | \$19,723 |
| Return on Sales | 1.2% |
| Total Segment Operating Margin | 5.9% |

Note: As stated, does not reflect Engineered Products Division as discontinued operations.

(a) Includes professional service fees related to labor negotiations, capital structure, acquisitions and divestitures in 2006 and 2005, and Sarbanes Oxley and restatement in 2004.

Reconciliation for Debt / Consolidated EBITDA



| (\$ in millions) | Twelve Months Ended December 31, 2005 |
|---|---------------------------------------|
| Net Income (Loss) | \$228 |
| Consolidated Interest Expense | 411 |
| U.S. and Foreign Taxes on Income | 250 |
| Depreciation and Amortization Expense | 630 |
| Cumulative Effect of Accounting Change | 11 |
| EBITDA | \$1,530 |
| Credit Agreement Adjustments: | |
| Other (Income) and Expense | 70 |
| Minority Interest in Net Income of Subsidiaries | 95 |
| Consolidated Interest Expense Adjustment | 5 |
| Rationalizations | 11 |
| Consolidated EBITDA | \$1,711 |
| Total Debt | |
| Long-term Debt and Capital Leases | \$4,742 |
| Long-term Debt and Capital Leases due within one year | 448 |
| Notes Payable and Overdrafts | 217 |
| Total Debt | \$5,407 |
| | \$5,407/\$1,711= |
| Total Debt / Consolidated EBITDA | 3.2x |

Note: Amounts include Engineered Products Division.

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

| | Second Quarter | |
|---|-----------------------|-------------|
| | 2006 | 2007 |
| Total Segment Operating Income | \$234 | \$309 |
| Rationalizations and asset sales | (35) | 3 |
| Accelerated depreciation, asset impairment and asset write-offs | (45) | (8) |
| Interest expense | (103) | (120) |
| Foreign currency exchange | 4 | (12) |
| Minority interest in net income of subsidiaries | (11) | (16) |
| Financing fees | (10) | (56) |
| General and product liability – discontinued products | (4) | (4) |
| Corporate incentive and stock based compensation plans | (16) | (26) |
| Interest income | 15 | 26 |
| Intercompany profit elimination | (9) | 5 |
| Retained net expenses of discontinued operations | (9) | (7) |
| Fire loss expense | - | (5) |
| Other | 3 | (9) |
| Income (Loss) from continuing operations before income taxes | \$14 | \$80 |
| United States and foreign taxes | (47) | (51) |
| Discontinued operations | 35 | 27 |
| Net Income (Loss) | \$2 | \$56 |
| Net Income (Loss) | \$2 | \$56 |
| Sales | \$4,738 | \$4,921 |
| Return on Sales | 0.0% | 1.1% |
| Total Segment Operating Margin | 4.9% | 6.3% |

Reconciliation for Net Debt



(\$ in millions)

| | December 31, 2006 | June 30, 2007 |
|---|------------------------------|--------------------------|
| Long term debt and capital leases | \$6,562 | \$5,038 |
| Notes payable | 243 | 233 |
| Long term debt and capital leases due within one year | <u>405</u> | <u>182</u> |
| Total debt | \$7,210 | \$5,453 |
| Less: Cash and cash equivalents | <u>3,862</u> | <u>2,328</u> |
| Net Debt | <u><u>\$3,348</u></u> | <u><u>\$3,125</u></u> |
| Change in Net Debt | | (\$223) |

Reconciliation for Cash Flow



| <i>(\$ in millions)</i> | Six Months Ended | |
|--|-------------------------|----------------|
| | June 30, | |
| | 2006 | 2007 |
| Cash Flows From Operating Activities: | | |
| Net (Loss) Income | \$76 | (\$118) |
| Less: Discontinued operations | (63) | (37) |
| (Loss) Income from Continuing Operations | \$13 | (\$81) |
| Adjustments to reconcile (loss) income from continuing operations to cash flows from operating activities: | | |
| Depreciation and amortization | 335 | 300 |
| Amortization and write-off of debt issuance costs | 9 | 33 |
| Deferred tax provision | (14) | (4) |
| Net rationalization charges | 73 | 22 |
| Net gains on asset sales | (2) | (19) |
| Fire loss expense | - | 12 |
| Minority interest and equity earnings | 21 | 38 |
| Pension contributions | (199) | (245) |
| Rationalization payments | (29) | (44) |
| Insurance recoveries | 43 | - |
| Changes in operating assets and liabilities net of asset acquisitions and dispositions: | | |
| Accounts and notes receivable | (269) | (505) |
| Inventories | (415) | (271) |
| Accounts payable - trade | 98 | 134 |
| Compensation and benefits | 191 | 200 |
| Other current liabilities | (24) | (29) |
| Other long-term liabilities | (42) | (5) |
| Other assets and liabilities | (47) | (49) |
| Total Operating Cash Flows From Continuing Operations | (258) | (513) |
| Discontinued operations | 55 | 5 |
| Total Cash Flows From Operating Activities | (\$203) | (\$508) |



GOOD YEAR
Get there™