



GOODYEAR

Fourth Quarter 2007 Conference Call

February 14, 2008

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 our control, which affect our operations, performance, business strategy and results and could cause our 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; our ability to realize anticipated savings and operational benefits from cost reduction initiatives or to implement successfully other strategic initiatives; 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; 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 our filings with the Securities and Exchange Commission, including our annual report 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



- **Economic Environment**
- **2007 Full Year Highlights**
- **Progress Against our Strategies**
- **Fourth Quarter 2007 Performance**
- **Industry Outlook**
- **Q&A**

Economic Environment



- **Better positioned to deal with economic uncertainty than in recent past**
- **Richer product, brand and customer mix**
 - Exited 8 million units of wholesale private label business
 - Selective OE fitments
- **Stronger balance sheet**
 - Successful execution against Capital Structure Improvement Plan
 - Significant reduction in debt and legacy obligations; more to come
- **Step change improvement in cost structure**
 - Reduced global capacity by more than 25 million units since 2004

Well positioned in current uncertain economic environment

2007 Full Year Highlights



- Revenue from continuing operations grew 5% to a record \$19.6 billion
- Revenue per tire grew 8% year-over-year
- Gross Margin improved to 19.0% from 16.1% in 2006
- Segment operating income up 24% (adjusted for strike impact)
- Segment operating income growth in all five strategic business units
- Strong performance in Eastern Europe, Latin America and Asia Pacific
- North American Tire reported highest (strike-adjusted) segment operating income since 2000
- Robust demand for premium products; accelerating investments in high-value added (HVA) tires
- Significant progress against 4-Point Cost Savings Plan

Business Platforms



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

Business Platforms

Top-Line Growth



- **Impactful new product, technology and service offering launches**
 - Goodyear Eagle F1 All Season
 - Goodyear Assurance
 - Goodyear Eagle GT
 - ArmorMax Technology for Commercial Truck tires
 - Fleet HQ – 24-hour, 7-day Commercial Truck service operation
- **Leveraging innovative marketing campaigns**
- **Accelerating high-return investments**
 - Increased HVA capacity by more than 15% in 2007
 - Low-cost capacity reached 40% of total at year-end
 - Continuing to evaluate new facilities in Eastern Europe and Asia

Business Platforms

Step Change Improvement in Cost Structure



4-Point Cost Savings Plan

Continuous Improvement / USW savings

- USW Contract Savings (\$250 million by 2009)
- Business Process Improvements (Productivity, Six Sigma, Lean Manufacturing)
- Product Reformulation
- Safety

Savings by 2009: \$1.25 – \$1.4 billion
Progress to Date: More than \$700 million

Reduce Footprint

- Global high cost footprint strategy
 - Target more than 25 million unit footprint reduction
 - \$150 – \$250 million cash cost

Savings by 2009: More than \$150 million
Announced to Date: \$135 million, 21M units
Progress to Date: \$75 million

Low-Cost Country Sourcing

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

Savings by 2009: \$200 – \$300 million
Progress to Date: Nearly \$100 million
Note: Excludes cash savings related to capital expenditures

Selling, Administrative & General

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

Savings by 2009: \$200 – \$250 million
Progress to Date: More than \$175 million

**Targeting \$1.8 – \$2.0 billion in gross cost savings over 4 years;
Savings well over \$1.0 billion after 2 years**



Debt Reduction Plan

- \$175 million of 8.625% notes
- \$140 million of 9.00% notes
- \$300 million 3rd Lien Term Loan
- \$350 million of 4.00% convertible notes
- \$650 million secured notes
- \$100 million 6 3/8% notes mature

} \$315 million
"claw-back"

Completed

Completed

Completed

Completed

March 3, 2008

March 17, 2008

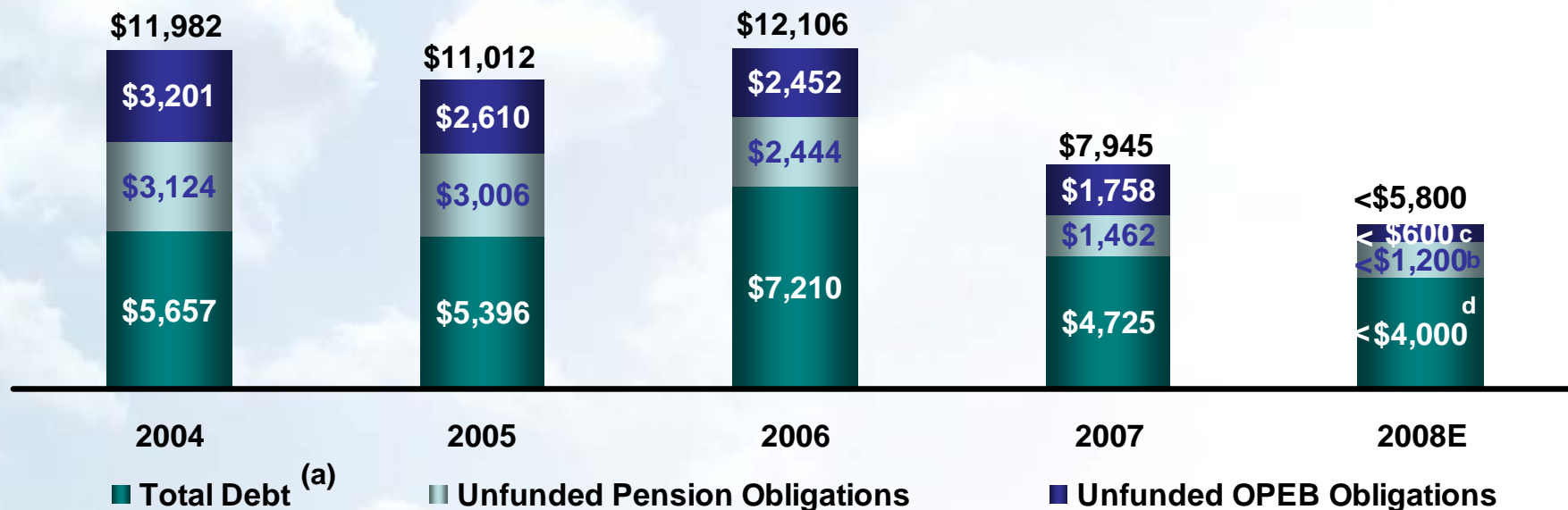
Remain focused on reducing debt and legacy obligations

Stronger Balance Sheet

Debt and Legacy Obligations Addressed



(\$ in millions)



- (a) Historical Total Debt reconciliation in Appendix on page 39
- (b) Assumes US discount rate of 6.25% and asset return of 8.5%
- (c) Assumes VEBA approval process is completed and all appeals are exhausted
- (d) Total Debt pro-forma for announced debt repayments

Business Platforms

Focus on Core Businesses



Non-Core Businesses Exited 2004-2007

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

Business Platforms

Focus on Speed



2007 Actions to Date

- Eliminated tire production at Valleyfield
- Closed unprofitable operations in Morocco
- Signed new 5-year agreement with NASCAR
- Launched impactful and innovative new products
- New “Get There” advertising campaign
- Goodyear brand share above pre-strike levels
- Repaid borrowings under revolving credit lines
- Announced restructuring of salaried benefit plans
- Announced and closed credit facilities refinancing
- Raised \$833 million in equity offering
- Redeemed \$315 million of long-term debt
- Repaid \$300 million 3rd Lien Term Loan
- Completed sale of Engineered Products business, raising \$1.4 billion
- Strengthened the leadership team with key additions
- Moved forward with investments in HVA and low-cost capacity
- Completed convertible exchange offer
- Announced new regional structure of Europe, Middle East and Africa (EMEA)
- Eliminated tire production at Tyler
- Completed sale of North American Tire’s tire and wheel assembly operations
- Announced plans to reduce production at two facilities in Amiens, France
- Announced redemption of \$650 million of senior secured notes

Business Platforms

Focus on Speed



2007 Actions to Date

- Eliminated tire production at Valleyfield
- Closed unprofitable operations in Morocco
- Signed new 5-year agreement with NASCAR
- Strengthened the leadership team with key additions
- Moved forward with investments in HVA and low-cost capacity

• Launched impactful and innovative new

• **Continue to accelerate the pace of change**

• **For Example:**

– New Product Engine

– New strategic business unit (EMEA) will speed decision making and cost efficiency opportunities

- Redeemed \$315 million of long-term debt
- Repaid \$300 million 3rd Lien Term Loan
- Completed sale of Engineered Products business, raising \$1.4 billion

Next Stage Metrics



Next Stage Metrics

**North American Segment
Operating Margin**

5%

**Total Segment
Operating Margin**

8%

Debt^(a)

2.5x EBITDA

Remain confident in ability to achieve Next Stage Metrics

(a) EBITDA is calculated in accordance with the definition of Consolidated EBITDA in our prior principal credit facilities and differs from Covenant EBITDA, which is calculated in accordance with our credit facilities amended and restated in April 2007 14

Fourth Quarter 2007 Performance



Total Company

(In millions, except Margin and EPS)

	Fourth Quarter		Change
	2007	2006	
Units	50.0	51.2	-2%
Net Sales ^(b)	\$5,160	\$4,638	11%
Gross Margin	19.4%	11.3%	8.1 pts
Segment Operating Income (Loss) ^{(a)(b)}	\$313	(\$86)	
Segment Operating Margin ^(a)	6.1%	-1.9%	8.0 pts
Income (Loss) from Continuing Operations	\$61	(\$310)	
Net Income (Loss)	\$52	(\$358)	
Income (Loss) per Share from Continuing Operations - Diluted	\$0.27	(\$1.74)	
Net Income (Loss) per Share - Diluted	\$0.23	(\$2.02)	

a) Segment operating income and margin reconciliation in Appendix on page 38

b) Q4 2006 net sales and segment operating income include strike impact of \$318 million and \$313 million, respectively

Fourth Quarter 2007 Performance

Segment Operating Income



(\$ in millions)



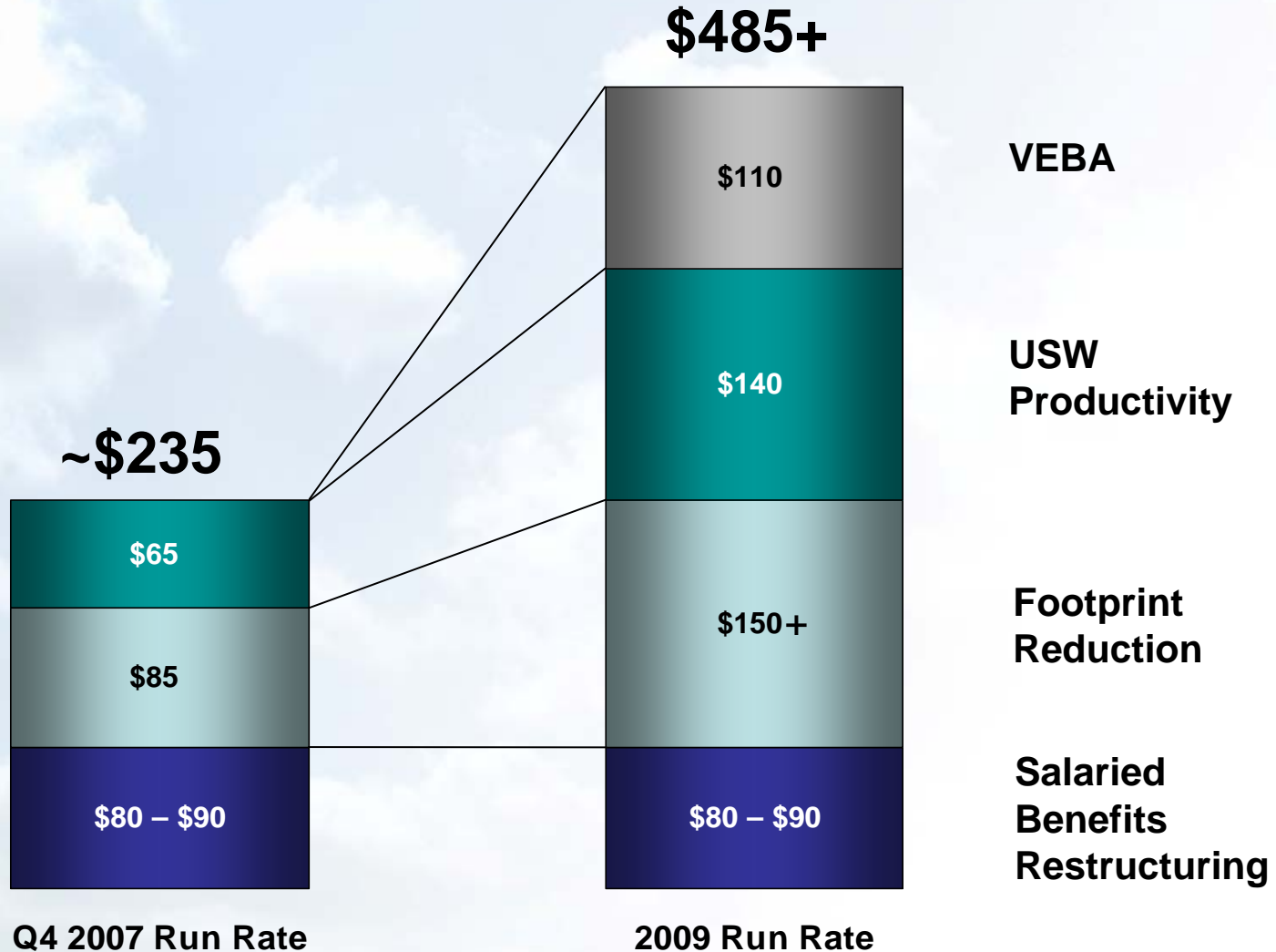
(a) Excludes raw material savings reflected in price/mix net of raw material costs

Structural Cost Savings

Q4 2007 Run Rate vs. 2009 Run Rate



(\$ in millions)



Balance Sheet



(\$ in millions)

	December 31, 2007	December 31, 2006
Cash and cash equivalents	\$3,463	\$3,862
Accounts receivable	3,103	2,800
Inventories	3,164	2,601
Accounts payable - trade	(2,422)	(1,945)
Working capital ^(a)	<u>\$3,845</u>	<u>\$3,456</u>
Total debt	\$4,725	\$7,210
Net debt ^(b)	\$1,262	\$3,348

Note: Reflects continuing operations only

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

b) Net Debt reconciliation in Appendix on page 39

Cash Flow



(\$ in millions)

	Twelve Months Ended	
	December 31, 2007	December 31, 2006
Income (Loss) from Continuing Operations	\$139	(\$373)
Depreciation and amortization ^(a)	659	656
Working capital ^(b)	(205)	469
Pension contributions and direct payments	(719)	(708)
Other, including net rationalization charges	218	401
Cash Flows from Continuing Operations ^(c)	<u>\$92</u>	<u>\$445</u>
Memo:		
Capital Expenditures	\$739	\$637

a) Includes amortization of debt issuance costs

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

c) Cash flows from operations reconciliation in Appendix on page 40

Cost Savings

Savings on Track



4-Point Cost Savings Plan

Continuous Improvement / USW savings

- USW Contract Savings (\$250 million by 2009)
- Business Process Improvements (Productivity, Six Sigma, Lean Manufacturing)
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Progress to Date: More than \$700 million

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**Targeting \$1.8 – \$2.0 billion in gross cost savings over 4 years;
Savings well over \$1.0 billion after 2 years**

Fourth Quarter 2007 Performance



North American Tire

(In millions)

	Fourth Quarter		Change
	2007	2006	
Units	20.5	20.4	-
Net Sales	\$2,284	\$2,078	10%
Segment Operating Income (Loss)	\$40	(\$301)	

- **Year-over-year comparisons clouded by strike impact in Q4 2006**
- **Significant improvement in segment operating income**
- **Gaining share in key targeted market segments**
- **Weak industry environment**
- **Strong commercial truck performance despite weak markets**
- **Price/mix improvements more than offset raw material cost increases**
- **Savings from structural cost reduction actions**

North American Tire Manufacturing Costs



(\$, millions)

Q4 2007

Structural Cost Savings
(USW, Footprint, VEBA, etc.)

\$55

Cost Increases
\$13/hr Training
Unabsorbed Overhead
7 Day Operations
HVA Capacity

(40)

2008 and Future



+ HVA Production
+ Labor Productivity
+ Advantaged Supply Chain

Accretive to NAT's Bottom Line

Fourth Quarter 2007 Performance



European Union Tire

(In millions)

	Fourth Quarter		Change
	2007	2006	
Units	14.0	15.7	-11%
Net Sales	\$1,416	\$1,343	5%
Segment Operating Income	\$75	\$75	-

- Record fourth quarter sales
- Weak winter tire replacement market
- Commercial OE market remains strong
- Price/mix improvements more than offset raw material cost increases
- Robust demand for HVA products; supply constraints
- Announced plans to reduce production at two facilities in Amiens, France

Fourth Quarter 2007 Performance



Eastern Europe, Middle East and Africa Tire

(In millions)

	Fourth Quarter		Change
	2007	2006	
Units	5.0	4.7	5%
Net Sales	\$490	\$409	20%
Segment Operating Income	\$67	\$50	34%

- Record fourth quarter sales and segment operating income
- Strong growth in Russia, Poland and the Middle East
- Price/mix improvements
- Robust demand for HVA products; supply constraints

Fourth Quarter 2007 Performance



Latin American Tire

(In millions)

	Fourth Quarter		Change
	2007	2006	
Units	5.6	5.5	2%
Net Sales	\$513	\$415	24%
Segment Operating Income	\$92	\$64	44%

- Record fourth quarter sales and segment operating income
- Strength in OE markets continues
- Replacement markets improved due to stronger economies
- Robust demand for HVA products; supply constraints
- Price/mix improvements more than offset raw material cost increases
- Favorable currency translation

Fourth Quarter 2007 Performance



Asia Pacific Tire

(In millions)

	Fourth Quarter		Change
	2007	2006	
Units	4.9	4.8	2%
Net Sales	\$457	\$393	16%
Segment Operating Income	\$39	\$26	50%

- Record fourth quarter sales and segment operating income
- China and India remain strong
- Focused on HVA products in Australia
- Price/mix improvements

Industry Outlook



2008 Industry Outlook		Original Equipment		Replacement	
		Consumer	Commercial	Consumer	Commercial
North America:	Full Year	(4)% - (2)%	20% - 30%	0% - 2%	0% - 2%
Europe:	Full Year	2% - 4%	5% - 10%	0% - 1%	1% - 2%

• Full Year 2008

- Raw material costs expected to increase 7% – 9%
- Interest expense \$340 – \$360 million
- Tax expense 25% – 30% of international segment operating income

Summary



- **Execution against strategies led to strong financial results in 2007**
- **Business Platforms position us for profitable growth**
- **New product engine remains strong**
- **Continuing to focus on high-return investments**
- **Remain on track to achieve cost savings targets**
- **Remain on track to achieve Next Stage Metrics**

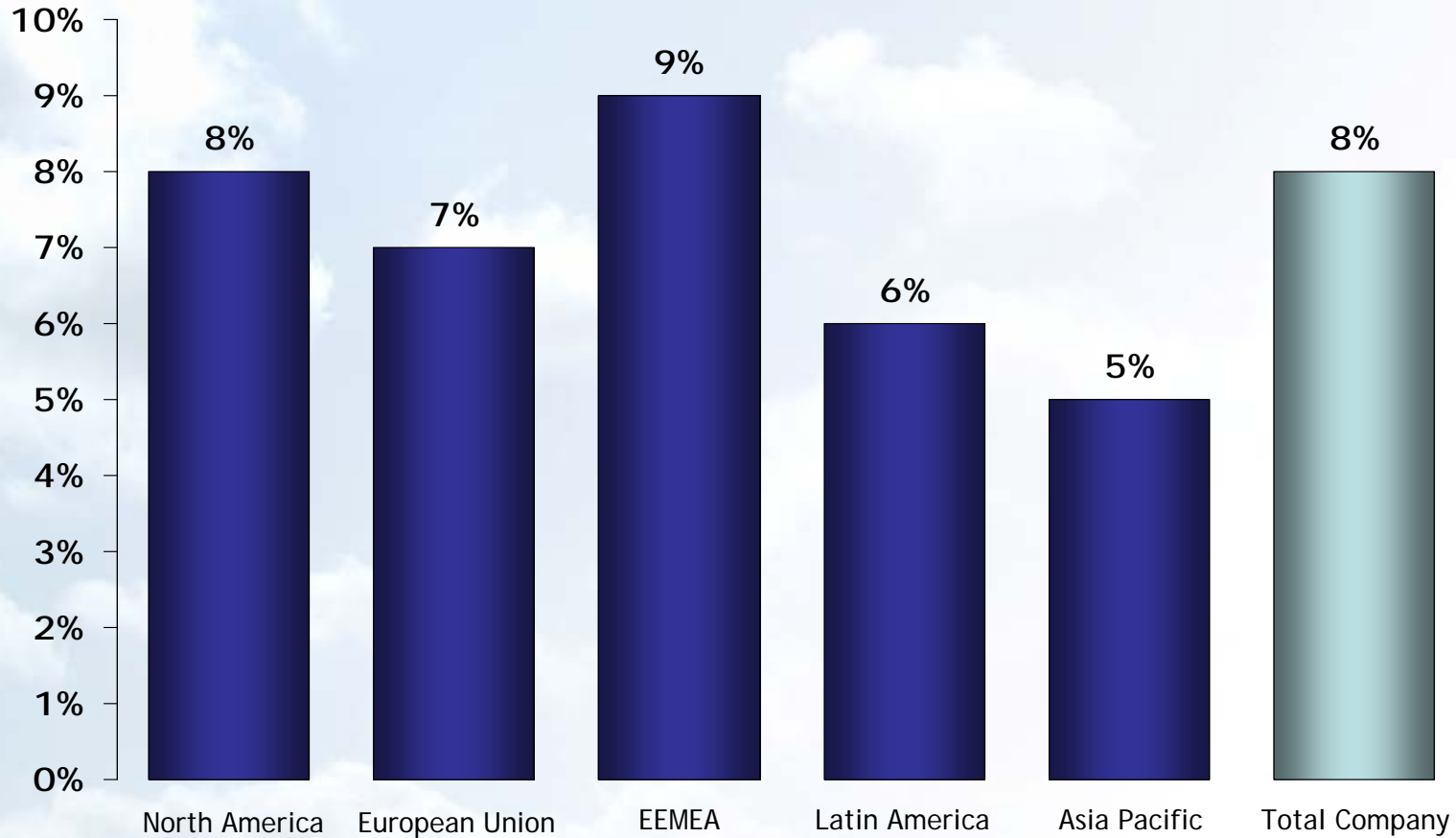


Appendix

Full Year 2007 Revenue Per Tire Increase



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

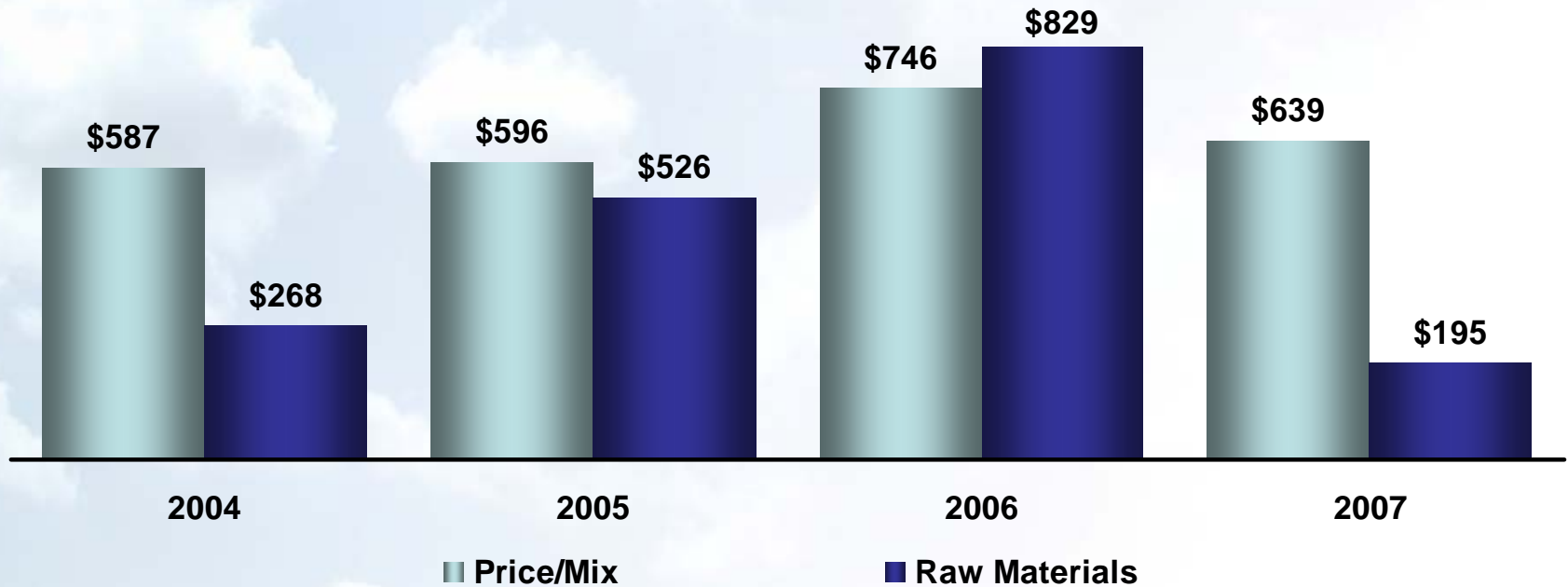


Driven by price/mix improvement

Price/Mix Improvements



Price/Mix vs. Raw Materials
(\$ in millions)

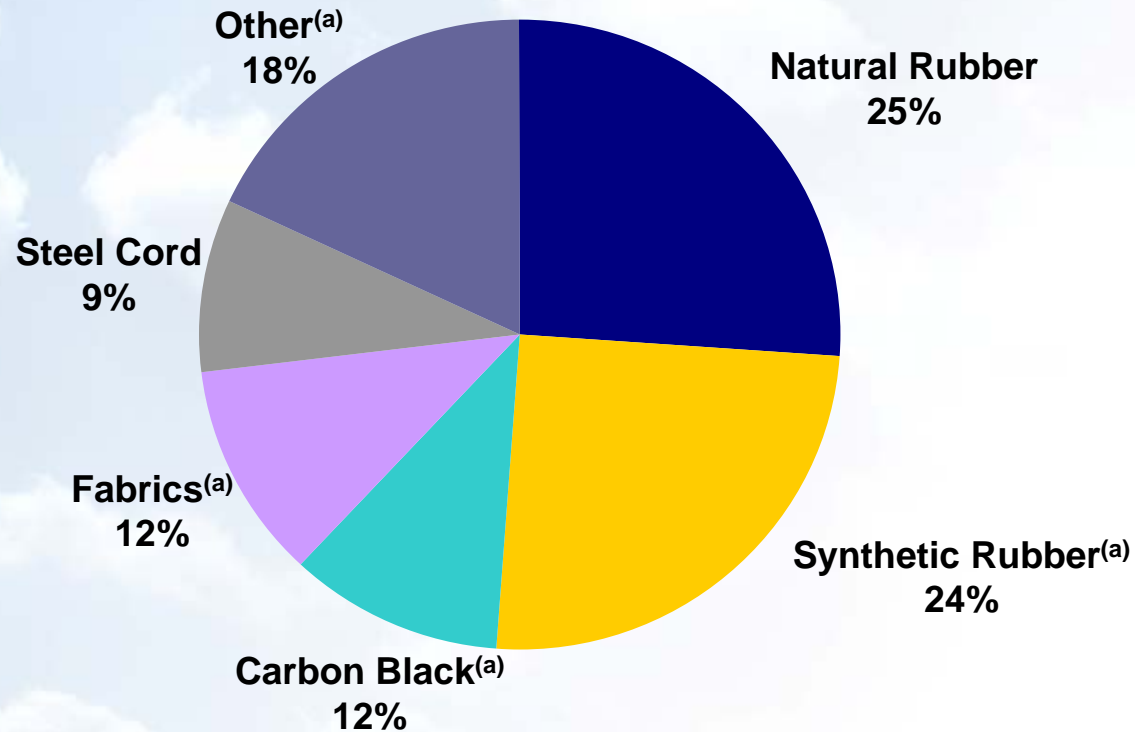


Note: Reflects tire businesses only
Reflects impact on Segment Operating Income

Raw Material Cost



Raw material cost breakdown



Note: As of FY 2007
(a) Dependent upon oil

Raw materials make up nearly 40% of COGS

Legacy Costs and Interest Expense



(\$ in millions)

	2004	2005	2006	2007	2008E (Excludes VEBA Savings)
Global pension contributions and direct payments ^(a)	\$265	\$522	\$708	\$719	\$350 – \$400
.....					
Pension expense (global) ^(b)	\$344	\$358	\$388	\$276	< \$225
.....					
Postretirement benefit payments	\$257	\$259	\$254	\$266	< \$200 ^(c)
.....					
Postretirement benefit expense ^(b)	\$288	\$220	\$205	\$126	< \$125 ^(c)
.....					
Interest Expense	\$368	\$408	\$447	\$450	\$340 - \$360

(a) 2008E reflects contributions to global pension plans

(b) Excluding one-time charges

(c) Postretirement benefit payments and expense will be further reduced once VEBA is funded

Fourth Quarter Significant Items Impacting Continuing Operations (after tax)



- **2007**
 - Rationalization charges and accelerated depreciation, \$26 million (11 cents per share)
 - Net loss on T&WA and Washington, UK asset sales, \$19 million (8 cents per share)
 - Financing fees related to recent debt conversion, \$17 million (7 cents per share)
 - Reduced tax expense due to a tax law change, \$11 million (4 cents per share)

- **2006**
 - 12-week USW strike in North America, \$313 million (\$1.77 per share)
 - Rationalization charges, accelerated depreciation and asset write-offs, \$184 million (\$1.03 per share)
 - Gain from favorable resolution of a tax contingency, \$153 million (86 cents per share)

Full Year 2007 Performance



Total Company

(In millions, except Margin and EPS)

	2007	2006	Change
Units	201.7	215.0	-6%
Net Sales	\$19,644	\$18,751	5%
Gross Margin	19.0%	16.1%	2.9 pts
Segment Operating Income ^a	\$1,230	\$712	73%
Segment Operating Margin ^a	6.3%	3.8%	2.5 pts
Income (Loss) from Continuing Operations	\$139	(\$373)	
Net Income (Loss)	\$602	(\$330)	
Income (Loss) per Share from Continuing Operations - Diluted	\$0.65	(\$2.11)	
Net Income (Loss) per Share - Diluted	\$2.65	(\$1.86)	

Full Year 2007 Performance



North American Tire

(In millions)

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Units	81.3	90.9	-11%
Net Sales	\$8,862	\$9,089	-3%
Segment Operating Income (Loss)	\$139	(\$233)	

European Union Tire

(In millions)

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Units	59.4	63.5	-6%
Net Sales	\$5,393	\$4,990	8%
Segment Operating Income	\$302	\$286	6%

Full Year 2007 Performance



Eastern Europe, Middle East and Africa Tire

(In millions)

	2007	2006	Change
Units	20.2	20.0	1%
Net Sales	\$1,824	\$1,562	17%
Segment Operating Income	\$280	\$229	22%

Latin American Tire

(In millions)

	2007	2006	Change
Units	21.8	21.2	3%
Net Sales	\$1,872	\$1,607	16%
Segment Operating Income	\$359	\$326	10%

Asia Pacific Tire

(In millions)

	2007	2006	Change
Units	19.0	19.4	-2%
Net Sales	\$1,693	\$1,503	13%
Segment Operating Income	\$150	\$104	44%

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

	Fourth Quarter		Full Year	
	2007	2006	2007	2006
Total Segment Operating Income (Loss)	\$313	(\$86)	\$1,230	\$712
Rationalizations	(25)	(101)	(49)	(311)
Accelerated depreciation	(6)	(34)	(37)	(88)
Interest expense	(99)	(137)	(450)	(447)
Corporate incentive compensation plans	(13)	(26)	(77)	(66)
Intercompany profit elimination	1	12	(11)	(11)
Curtailment	0	0	(64)	0
Retained expenses of discontinued operations	0	(11)	(17)	(48)
Other Income, net less equity in earnings of affiliates	(18)	47	(8)	77
Other	(28)	(19)	(53)	(20)
Income (Loss) from continuing operations before income taxes	\$125	(\$355)	\$464	(\$202)
Minority interest in net income of subsidiaries	(18)	(69)	(70)	(111)
United States and foreign taxes	(46)	114	(255)	(60)
Net Income (Loss) from continuing operations	61	(310)	139	(373)
Discontinued operations	(9)	(48)	463	43
Net Income (Loss)	\$52	(\$358)	\$602	(\$330)
Net Income (Loss) from continuing operations	\$61	(\$310)	\$139	(\$373)
Sales	\$5,160	\$4,638	\$19,644	\$18,751
Return on Sales	1.2%	-6.7%	0.7%	-2.0%
Total Segment Operating Margin	6.1%	-1.9%	6.3%	3.8%

Reconciliation for Net Debt



(\$ in millions)

	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Long term debt and capital leases	\$4,329	\$6,562	\$4,741	\$4,442
Notes payable and overdrafts	225	243	207	205
Long term debt and capital leases due within one year	<u>171</u>	<u>405</u>	<u>448</u>	<u>1,010</u>
Total debt	\$4,725	\$7,210	\$5,396	\$5,657
Less: Cash and cash equivalents	<u>3,463</u>	<u>3,862</u>	<u>2,138</u>	<u>1,935</u>
Net debt	<u>\$1,262</u>	<u>\$3,348</u>	<u>\$3,258</u>	<u>\$3,722</u>
Change in Net Debt vs December 31, 2006	(\$2,086)			

Note: Reflects continuing operations only

Reconciliation for Cash Flow



(\$ in millions)

	Twelve Months Ended	
	December 31,	
	2007	2006
Cash Flows From Operating Activities:		
Net Income (Loss)	\$602	(\$330)
Less: Discontinued operations	463	43
Income (Loss) from Continuing Operations	\$139	(\$373)
Adjustments to reconcile net income (loss) from continuing operations to cash flows from operating activities:		
Depreciation and amortization	614	637
Amortization and write-off of debt issuance costs	45	19
Deferred tax provision	(5)	(41)
Net rationalization charges	49	311
Net (gains) losses on asset sales	(15)	(40)
Net insurance settlement gains	-	(3)
Fire loss expense	17	-
Minority interest and equity earnings	64	106
Pension contributions	(719)	(708)
Rationalization payments	(75)	(119)
Insurance recoveries	7	46
Changes in operating assets and liabilities net of asset acquisitions and dispositions:		
Accounts receivable	(104)	268
Inventories	(395)	127
Accounts payable - trade	294	74
U.S. and foreign taxes	(36)	(187)
Deferred taxes and noncurrent income taxes	28	(4)
Compensation and benefits	292	337
Other current liabilities	(76)	27
Other assets and liabilities	(32)	(32)
Total Operating Cash Flows From Continuing Operations	92	445
Discontinued operations	13	115
Total Cash Flows From Operating Activities	\$105	\$560



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Get there™