



GOODYEAR

JP Morgan High Yield Conference

January 22, 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 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; 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



- **Overview**
- **Business Platforms**
 - Investment Plans
- **Cost Savings**
- **Balance Sheet**
- **Q&A**

Overview

Investment Highlights



- **Proven management team with a proven track record / innovative solutions**
- **Market leader with strong momentum and attractive growth opportunities**
 - attractive market trends
 - well-recognized brand portfolio
 - established dealer network
- **Intense focus on growing core consumer and commercial tire businesses**
 - innovative new product engine, supported by integrated marketing strategy
 - increasing investment to support growth
 - leadership in emerging markets
- **Strengthening balance sheet to capitalize on growth, improve competitive position**
- **Proven ability to execute on aggressive cost savings initiatives**
 - cost savings remain on track
 - leveraging favorable union contract
 - rebalancing global footprint and focusing on supply chain
- **Accelerating pace of change; focus on speed**

Overview

Leading Market Positions and Brands



(a) Market positions by volume.

Overview

Differentiated Business Model



	Typical Auto Supplier	GOODYEAR
Valuable brand	Not applicable	World-renowned brand
Aftermarket exposure	<10% of sales	>80% of sales
Pricing ability	Limited due to dependency on OEMs	11 price increases 2004 to present in U.S. consumer replacement market
Time to market	Multiple years	<1 year
EBITDA vs. North American light vehicle production	High correlation	No statistically significant correlation; other factors driving earnings
Product development	OE manufacturer driven	Consumer driven
Unionized hourly workforce	United Auto Workers	United Steelworkers

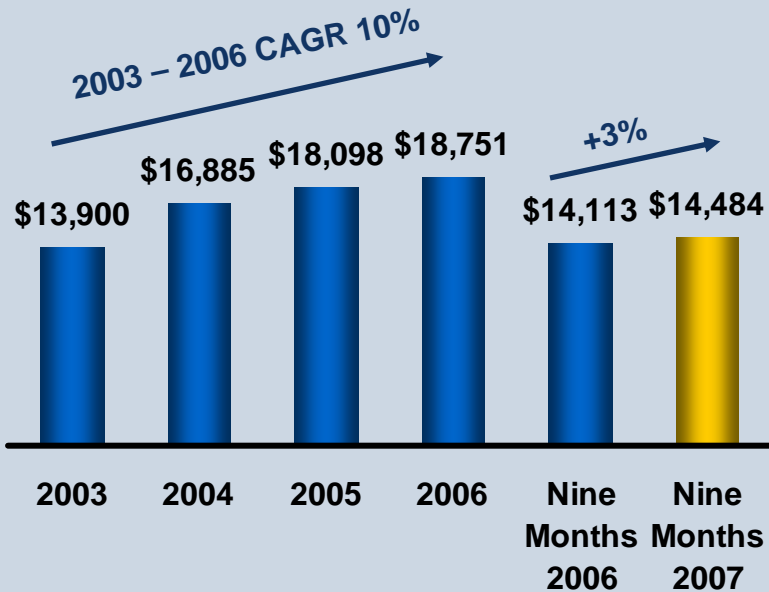
Financial Overview

Revenue and Operating Income



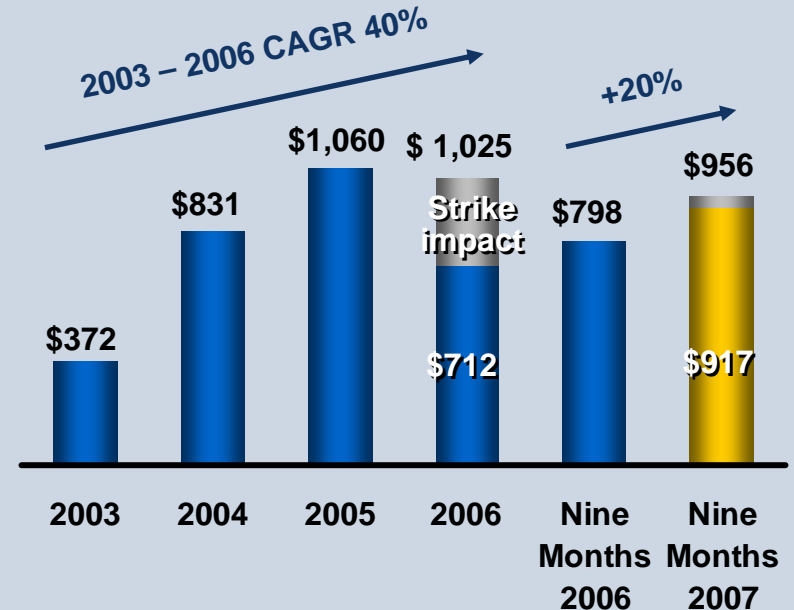
Revenue

(\$ in millions)



Total Segment Operating Income^(a)

(\$ in millions)



(a) FY 2006 and Nine Months 2007 exclude estimated strike impact of \$313 million and \$39 million, respectively. See reconciliation of Segment Operating Income to Net Income on slides 24 and 25.

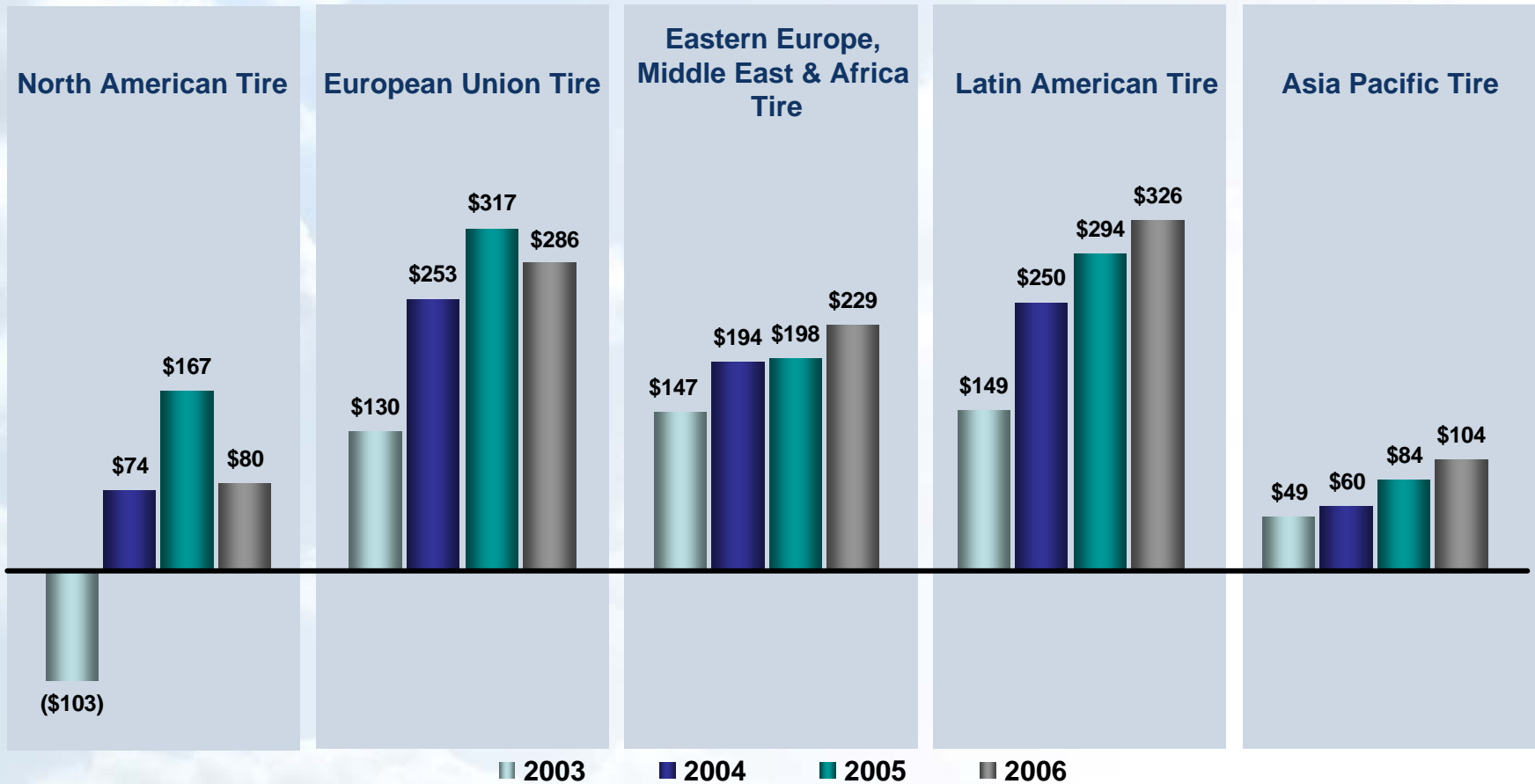
Note: FY 2003 total segment operating income, as presented, is derived by adding the segment operating income of Goodyear's five tire businesses, as reported.

Financial Overview

Segment Results – Segment Operating Income



(\$ in millions)



Strong operating performance across all segments

Note: FY 2006 for North American Tire excludes estimated strike impact of \$313 million.

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

Investment Plans



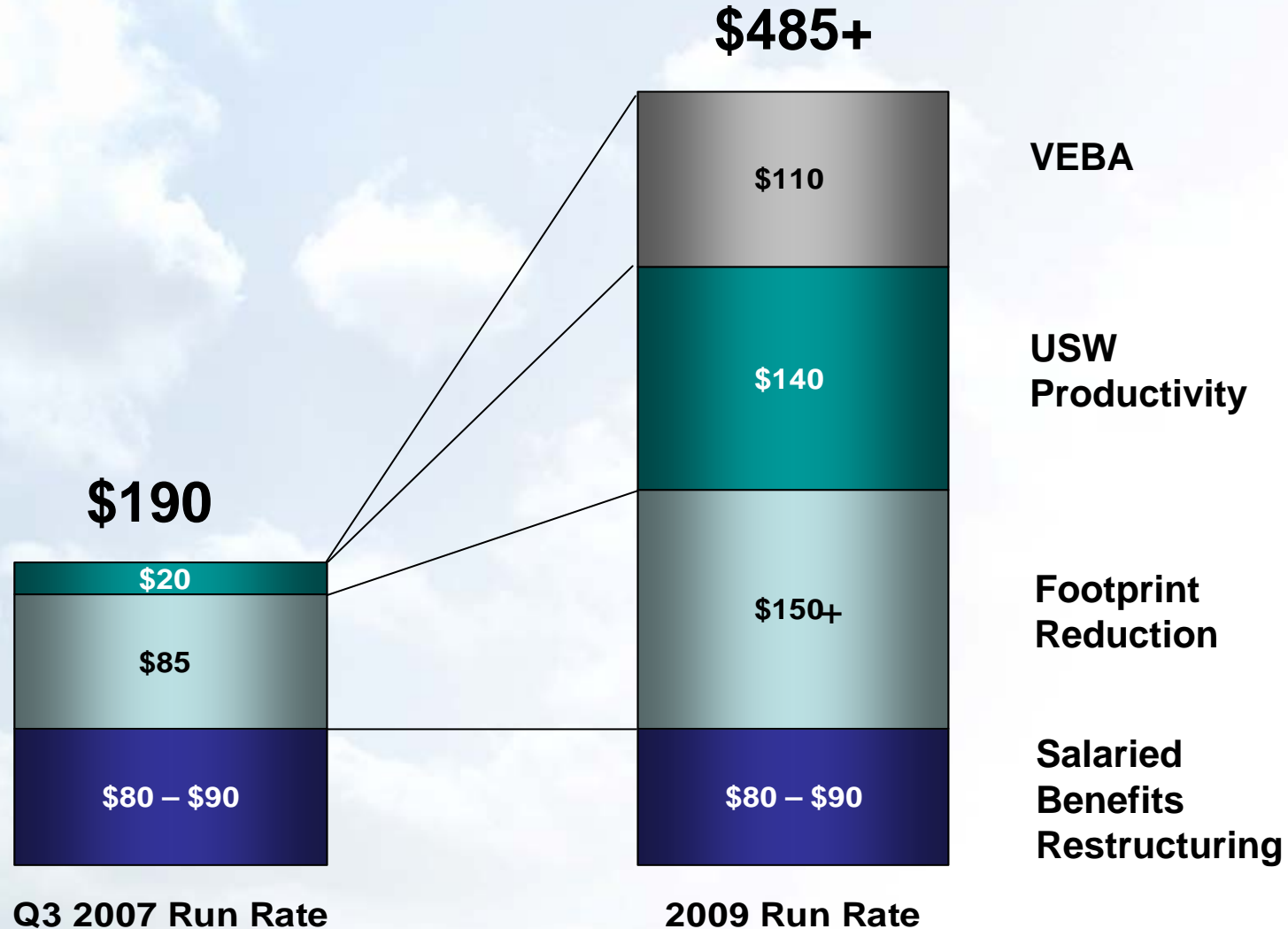
- **Increase high-value added (HVA) capacity**
 - Increase by 40% by 2012
 - Remaining high-cost plants to be converted to HVA
 - Example: North America – Fayetteville and Gadsden
- **Expand low-cost capacity in existing plants**
 - Increase by 33% (about 25 million units) by 2012
 - Example: Poland (investing \$100 million over four years)
- **Strategy is to have 50% of total capacity in low-cost countries by 2012**
 - **Considering new facility in Eastern Europe**
 - Supports low-cost and HVA strategies
 - Market growth opportunity (Consumer and Commercial)
 - **Considering new facility in Asia**
 - Supports low-cost and HVA strategies
 - Market growth opportunity (Consumer and Commercial)

Structural Cost Savings

Q3 2007 Run Rate vs. 2009 Run Rate



(\$ in millions)



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)
- Product Reformulation
- Safety

Savings by 2009: \$1.25 – \$1.4 billion
Progress to Date: More than \$575 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: \$50 million

Asian / Low-Cost Country Sourcing

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

Savings by 2009: \$200 – \$300 million
Progress to Date: \$75 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 nearly \$900 million after 7 quarters**

Balance Sheet

Debt Repayment Plan



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

} \$315 million
"claw-back"

Completed
Completed
Completed
Completed
Q1 2008
Q1 2008

Remain focused on further de-leveraging



Non-Core Businesses Exited 2004-2007

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

Evaluating remaining non-core businesses

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 principal credit facilities and differs from Covenant EBITDA, which is calculated in accordance with our credit facilities amended and restated in April 2007

Summary



- **Proven management team with a proven track record / innovative solutions**
- **Market leader with strong momentum and attractive growth opportunities**
- **Intense focus on growing core consumer and commercial tire businesses**
- **Strengthening balance sheet to capitalize on growth, improve competitive position**
- **Proven ability to execute on aggressive cost savings initiatives**
- **Accelerating pace of change; focus on speed**



GOODYEAR
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Appendix

Overview

7 Strategic Drivers



Leadership

Lower Cost Structure

Cash is King

Leveraged Distribution

Build Brand Strength

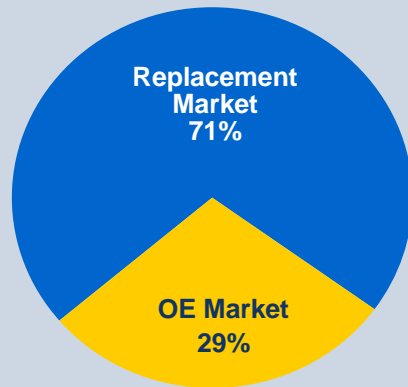
Product Leadership

Advantaged Supply Chain

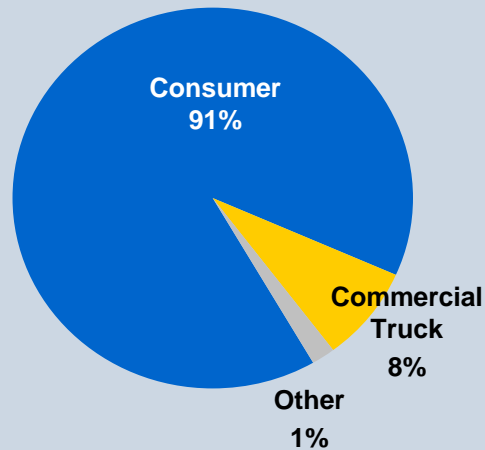
Overview of Goodyear's Sales



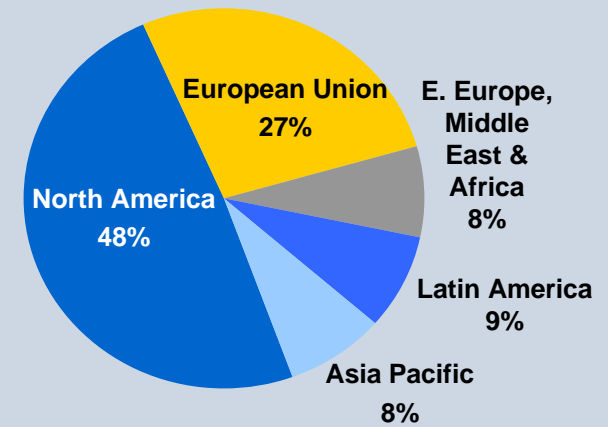
Goodyear tires are sold in two distinct tire markets...



...available in a diverse selection of products...



...and stretch around the world

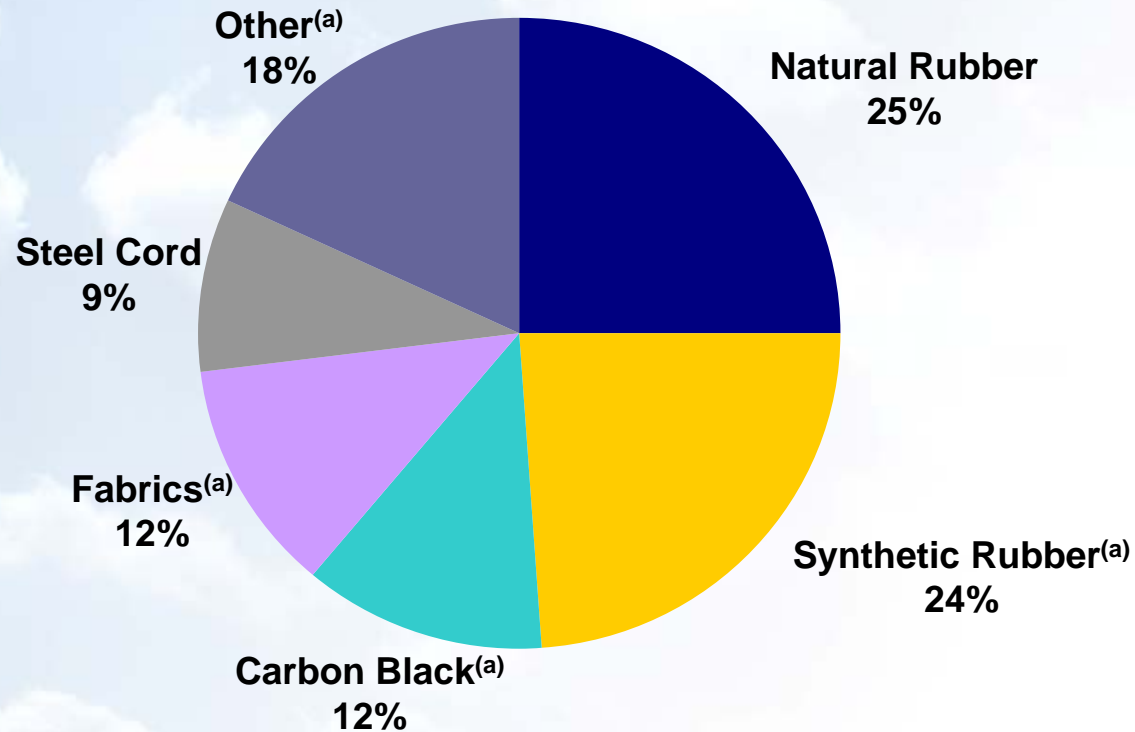


Note: As of FY 2006. Sales by end market and end user as a percent of units sold of 215 million tires. Sales by geography as a percent of Goodyear's net sales of \$18.8 billion.

Raw Material Cost



Raw material cost breakdown



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

Raw materials make up about 35% of COGS

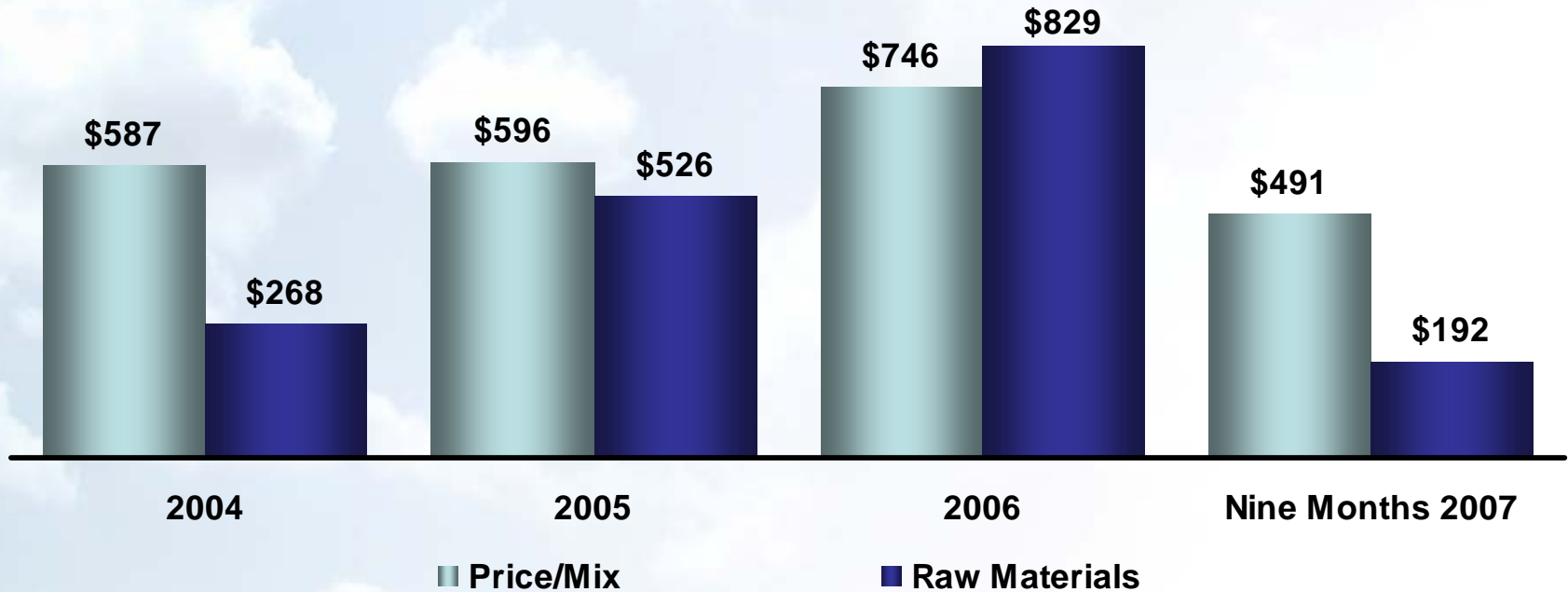
Top-Line Growth

Price/Mix Improvements



Price/Mix vs. Raw Materials

(\$ in millions)

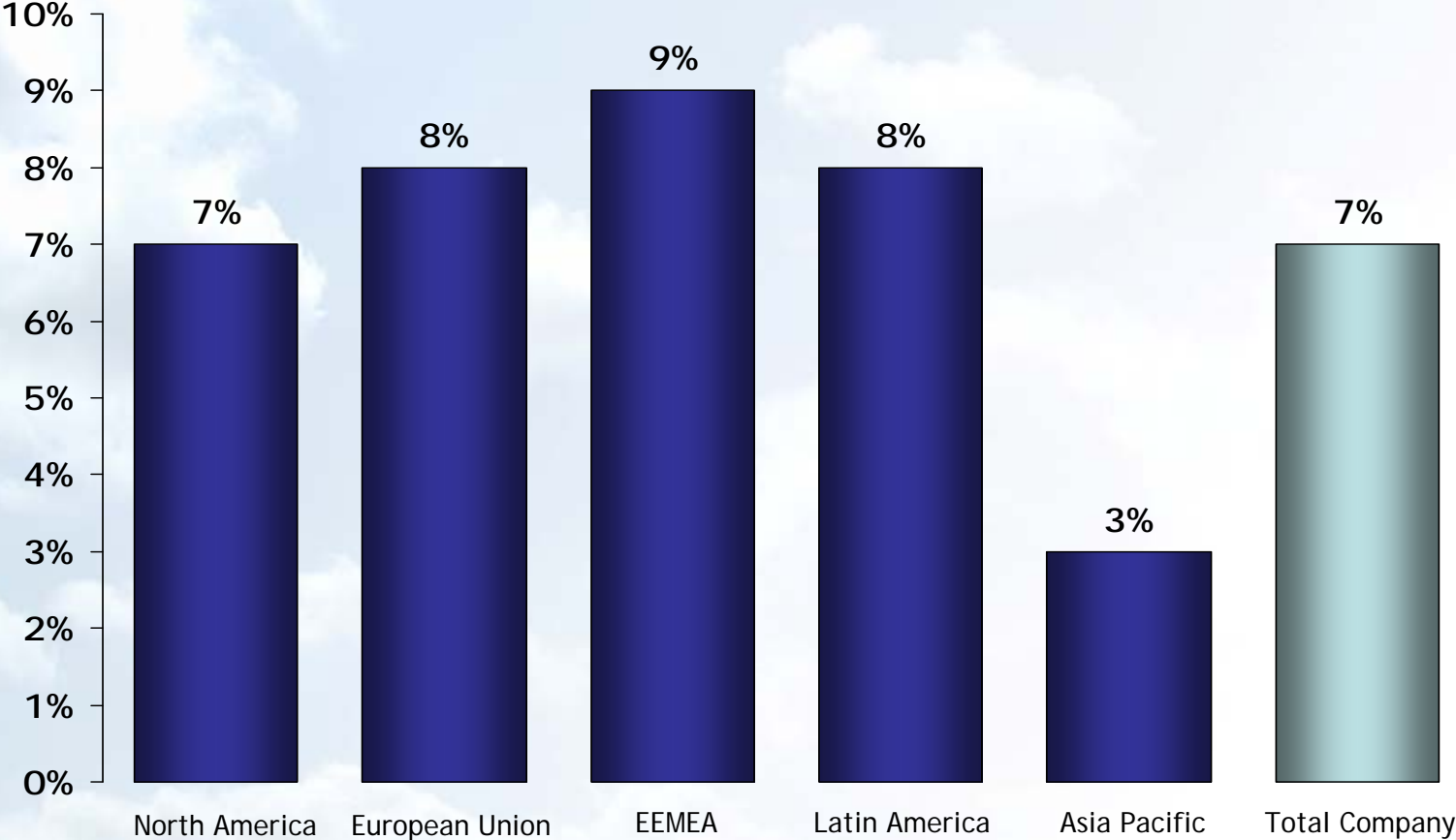


Note: Reflects tire businesses only
Reflects impact on Segment Operating Income

Third Quarter 2007 Revenue Per Tire Increase



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



Driven by price/mix improvement

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

Twelve Months Ended December 31

	2004	2005	2006
Total Segment Operating Income	\$831	\$1,060	\$712
Rationalizations and asset sales	(40)	(43)	(271)
Accelerated depreciation, asset impairment and asset write-offs	(7)	(4)	(88)
Interest expense	(368)	(408)	(447)
Foreign currency exchange	(20)	(21)	2
Minority interest in net income of subsidiaries	(58)	(95)	(111)
Financing fees	(117)	(109)	(40)
General and product liability - discontinued products	(53)	(9)	(26)
Professional fees ^(a)	(76)	(17)	(12)
Corporate incentive and stock based compensation plans	(3)	(11)	(39)
Net insurance settlement gains	145	43	1
Intercompany profit elimination	(6)	13	(11)
Interest income	33	58	86
Retained net expense of discontinued operations ^(b)	(64)	(46)	(40)
Other	(21)	(54)	(29)
Income (loss) from continuing operations before income taxes	176	357	(313)
United States and foreign taxes	(162)	(233)	(60)
Discontinued operations	101	115	43
Cumulative effect of accounting change, net of income taxes and minority interest	-	(11)	-
Net Income (Loss)	\$115	\$228	\$(330)
Net Income (Loss)	115	228	(330)
Sales	16,885	18,098	18,751
Return on Sales	0.7%	1.3%	(1.8)%
Total Segment Operating Margin	4.9%	5.9%	3.8%

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

(b) Includes primarily pension and retiree medical costs, corporate administrative costs and royalty income.

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

Nine Months Ended
September 30,
2007 2006

Segment Operating Income		
North American Tire	\$ 99	\$ 68
European Union Tire	227	211
Eastern Europe, Middle East and Africa Tire	213	179
Latin American Tire	267	262
Asia Pacific Tire	111	78
	<hr/>	<hr/>
Total Segment Operating Income	917	798
Rationalizations	(24)	(210)
Accelerated depreciation	(31)	(54)
Interest expense	(351)	(310)
Minority interest in net income of subsidiaries	(52)	(42)
Corporate incentive and stock based compensation plans	(64)	(40)
Intercompany profit elimination	(12)	(23)
Curtailment	(64)	-
Retained net expenses of discontinued operations	(17)	(37)
Other Income, net less equity in earnings of affiliates	10	30
Other	(25)	(1)
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Income from continuing operations before income taxes	\$ 287	\$ 111
United States and foreign taxes	209	174
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Income (Loss) from continuing operations	78	(63)
Discontinued operations	472	91
	<hr/>	<hr/>
Net Income	\$ 550	\$ 28
	<hr/>	<hr/>
Net Income	\$ 550	\$ 28
Net Sales	\$ 14,484	\$ 14,113
Return on Sales	3.8%	0.2%
Total Segment Operating Margin	6.3%	5.7%



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