



GOODYEAR

Deutsche Bank Industrials Conference

June 23, 2010

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, that 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: our ability to realize anticipated savings and operational benefits from our cost reduction initiatives or to implement successfully other strategic initiatives; increases in the prices paid for raw materials and energy; actions and initiatives taken by both current and potential competitors; deteriorating economic conditions or an inability to access capital markets; pension plan funding obligations; work stoppages, financial difficulties or supply disruptions at our suppliers or customers; a labor strike, work stoppage or other similar event; our failure to comply with a material covenant in our debt obligations; the adequacy of our capital expenditures; potential adverse consequences of litigation involving the company; as well as the effects of more general factors such as changes in general market, economic or political 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



- **Opening Comments and Overview**
- **Financial Results**
- **Strategy Going Forward**

Opening Comments

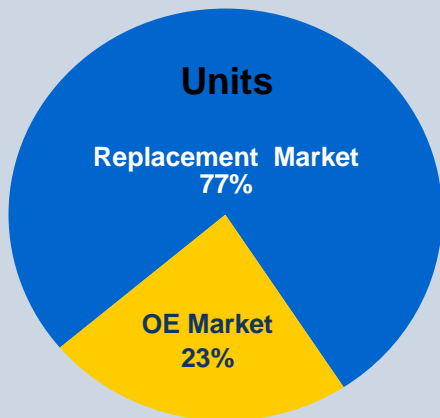


- **A tire industry leader with powerful brands throughout the world**
- **Market-oriented business model provides platform to address market challenges**
 - **Strong first quarter performance**
- **Industry trends continue to drive optimism**
- **Strategic priorities align to capitalize on trends**

Global Consumer & Commercial Sales with Leading Brands

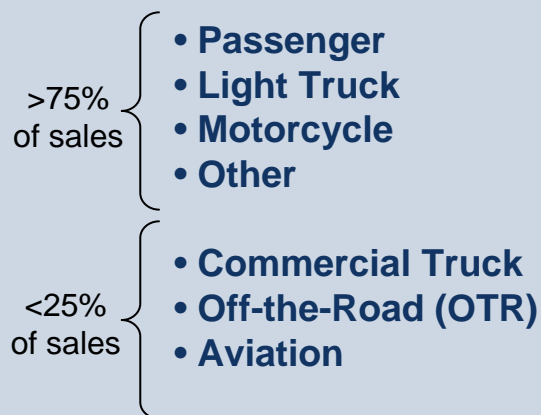


Goodyear tires are sold in two distinct tire markets...

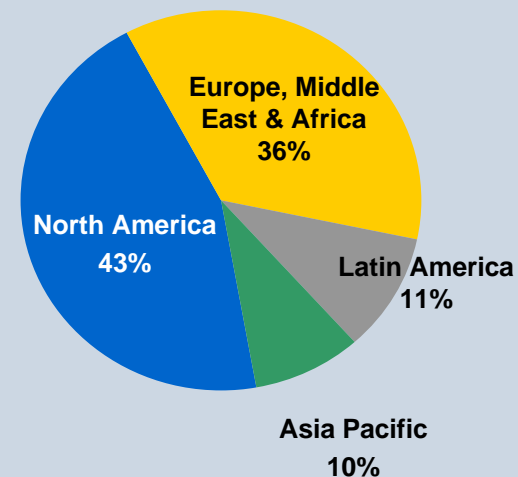


OE < 20% of Net Sales

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



...and stretch around the world



Note: As of FY 2009. Sales by end market and end user as a percent of units sold of 167 million tires. Sales by geography as a percent of Goodyear's net sales of \$16.3 billion.

Marketing-Oriented Business Model



Old Model (Mfg)

New Model (Marketing)

Leadership

- Insulated

- Blend of talent from inside / outside
- Proven performance

Product Leadership

- Engineering focused
- OE-driven

- Consumer-relevant innovations
- Launch first in replacement market
- Outstanding new product engine

Leveraged Distribution

- Take orders
- Push product based on availability

- Build our dealers' businesses
- "Pull" product orders based on customer demand

Build Brand Strength

- Volume focus
- Fill the factories
- Absorb raw material costs

- Intense focus on targeted segments
- Targeted OE fitments with high replacement pull-through
- Profitable growth focus
- Price / mix to offset raw materials
- Invest in emerging markets

Advantaged Supply Chain

Lower Cost Structure

- New manufacturing facilities
- Acquisition of manufacturing assets
- Fill high-cost plants

- Drive efficiency in all parts of the business
- Upgrade existing facilities to HVA
- Target investment for high-growth markets
- Exit non-strategic businesses
- Reduce high-cost footprint / expand low-cost
- Low-cost sourcing / procurement
- VEBA / USW agreement

Cash is King



Financial Results



- **Recent financial results reflect:**
 - **Improving economic and industry conditions**
 - **Raw material price volatility**
 - **Increasing factory utilization**
 - **Success in the marketplace**
 - **Aggressive cost reductions**
 - **Managing for cash**

Financial Results

SOI Trend



(millions)

	2009					2010
	Q1	Q2	Q3	Q4	FY	Q1
Total Units	38.4	40.0	45.0	43.6	167.0	43.9
Sales	\$3,536	\$3,943	\$4,385	\$4,437	\$16,301	\$4,270
Gross Margin	9.0%	15.0%	19.7%	19.3%	16.1%	19.1%
Segment Operating (Loss) Income^(a)	(\$176)	\$24	\$275	\$249	\$372	\$240

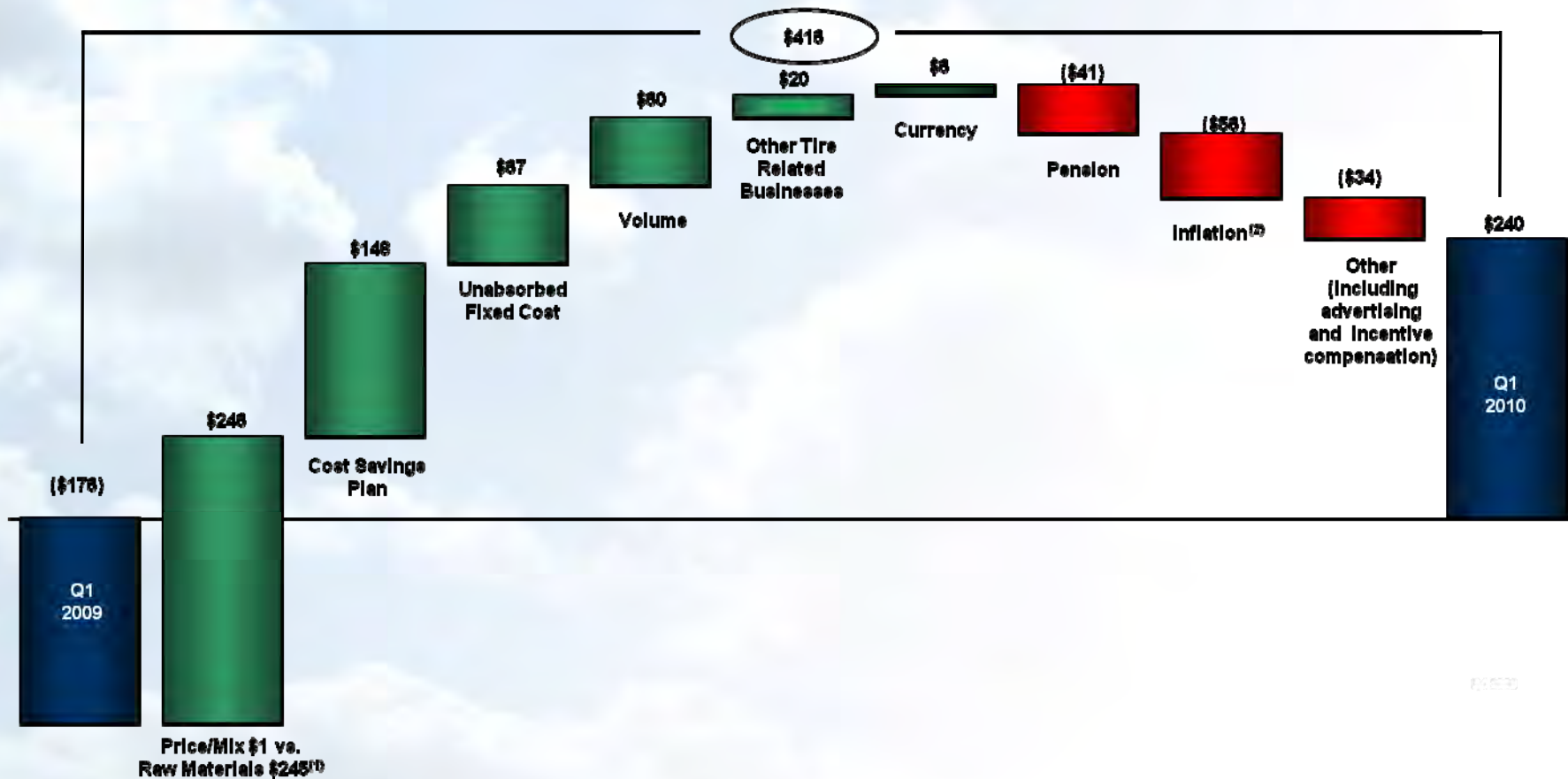
a) Segment operating income reconciliation in Appendix on page 36.

Financial Results

First Quarter 2010 SOI Results



(\$ in millions)



1. Raw material variance of \$245 million excludes cost savings of \$38 million, which is included in Cost Savings Plan
2. Estimated impact of inflation (wages, utilities, energy, transportation and other).

Financial Results

Balance Sheet



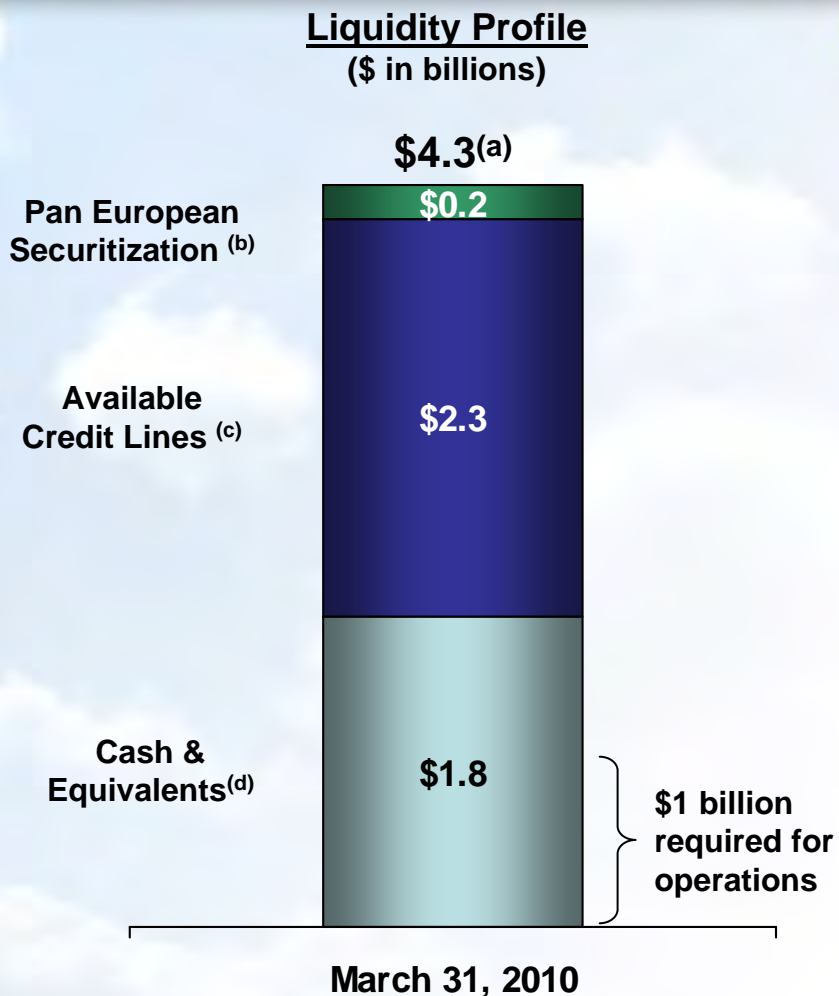
(\$ in millions)

	March 31, 2010	December 31, 2009	March 31, 2009
Cash and cash equivalents	\$ 1,774	\$ 1,922	\$ 1,896
Accounts receivable	2,861	2,540	2,489
Inventories	2,708	2,443	3,262
Accounts payable - trade	(2,549)	(2,278)	(1,989)
Working capital ^(a)	<u>\$ 3,020</u>	<u>\$ 2,705</u>	<u>\$ 3,762</u>
Total debt ^(b)	\$ 4,594	\$ 4,520	\$ 5,526
Net debt ^(b)	\$ 2,820	\$ 2,598	\$ 3,630

a) Working capital represents accounts receivable and inventories, less accounts payable - trade.
 b) Total Debt and Net Debt reconciliation in Appendix on page 37.

Financial Results

Liquidity Profile



- (a) Total liquidity comprised of \$1,774 million cash and cash equivalents, \$2,310 million of unused availability under various credit agreements, and the additional \$251 million committed under the Pan-European securitization program.
- (b) Committed Pan-European securitization program of \$608 million (€450 million) subject to available receivables. As of March 31, 2010, \$357 million (€264 million) available and fully utilized.
- (c) Includes approximately \$450 million of financing related to relocation and expansion of manufacturing facility in Dalian, China.
- (d) Includes approximately \$180 million of cash in Venezuela



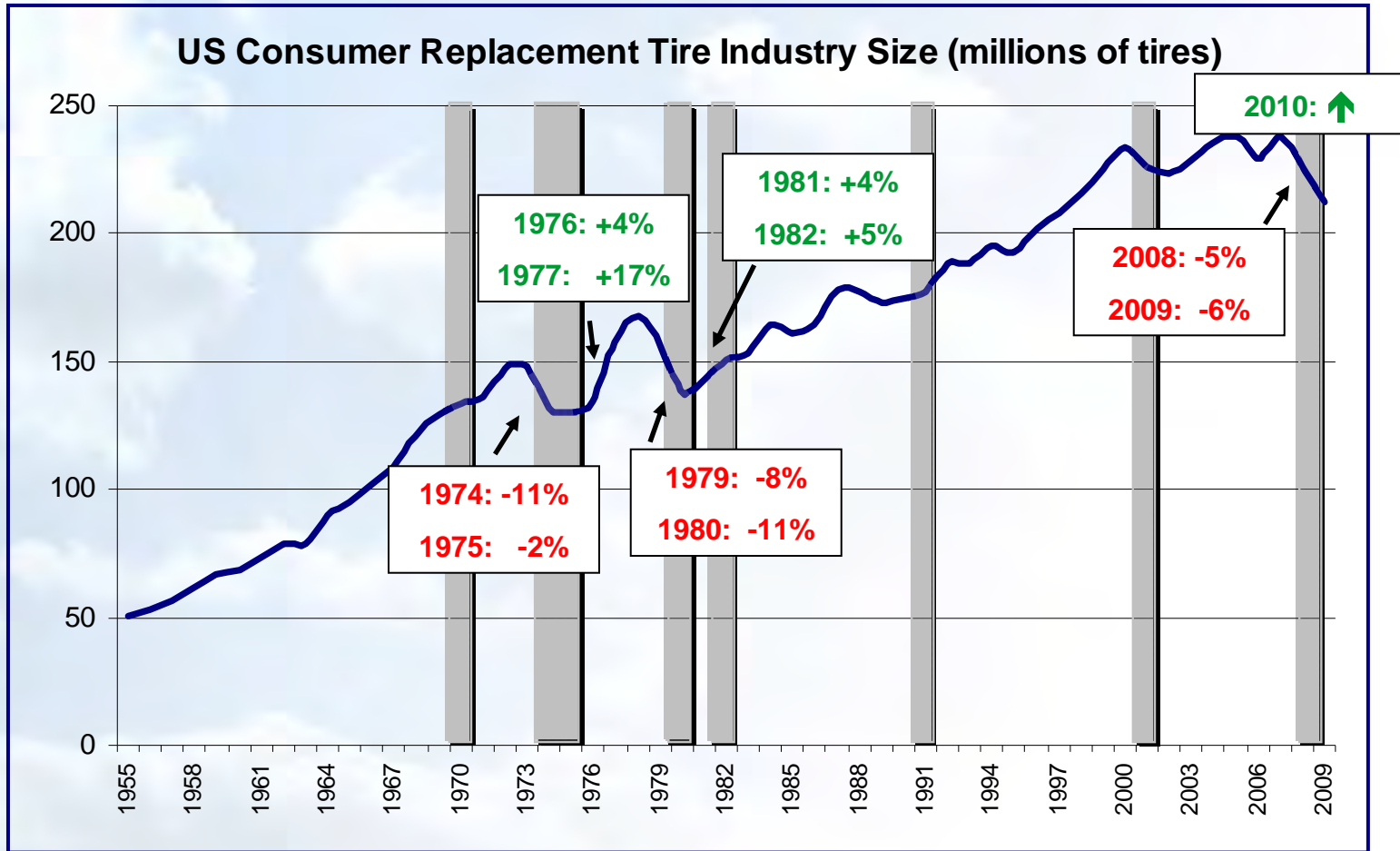
Strategy Going Forward

Economic and Industry Environment



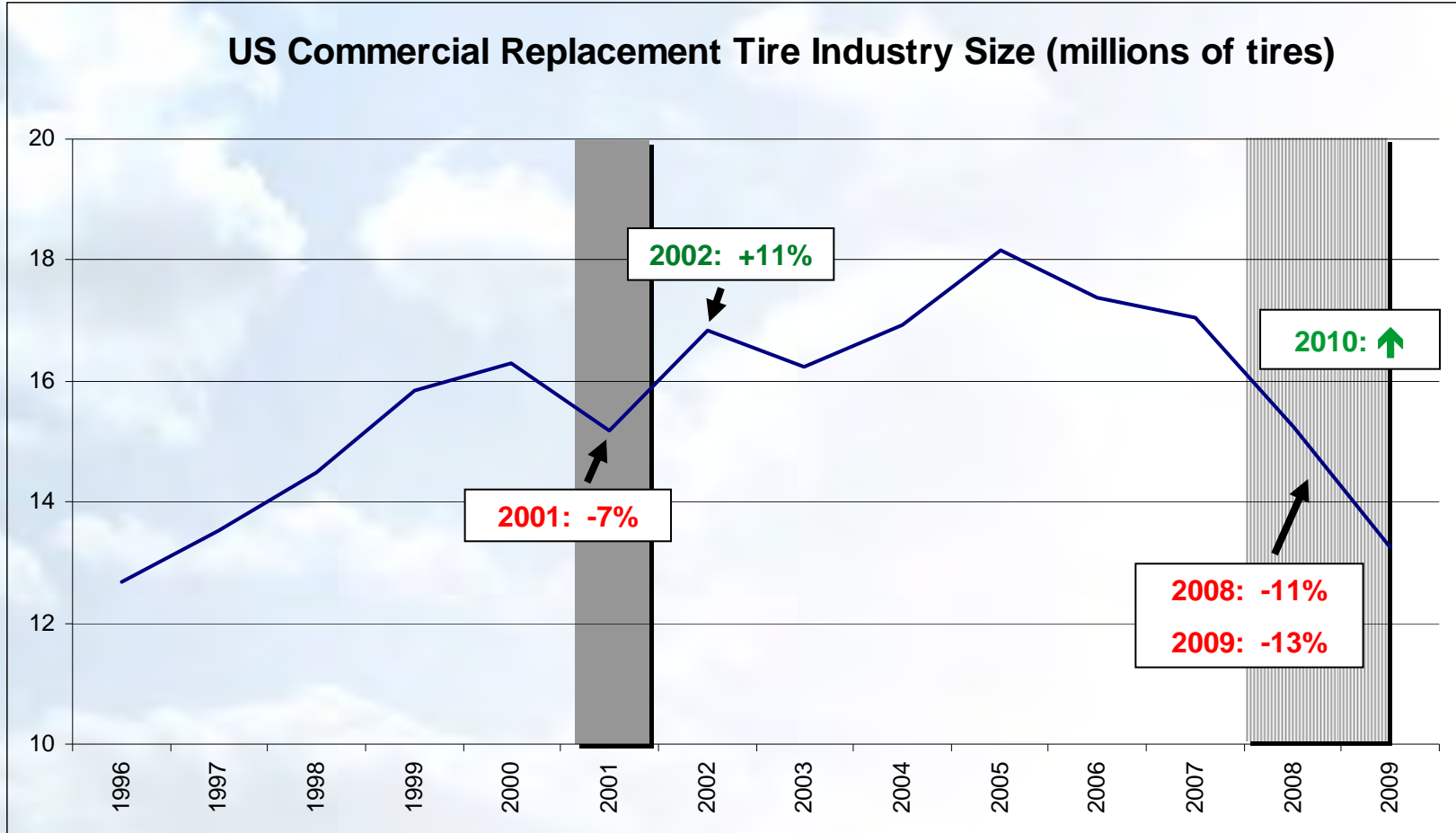
- **Market indicators strengthening as global economic activity improves**
 - Strong to moderate GDP growth
 - Increased industrial production
 - Improved consumer activity and freight movement
- **Uncertainty, challenges continue**
 - High unemployment and fluctuating U.S. fuel consumption and miles driven
 - European concerns (debt, economic, currency)
 - Raw material volatility
- **Optimistic global growth and recovery trends will continue; pace of recovery unclear**

Demand Patterns Similar in Prior Recessions (Consumer Replacement)



Note: Recessionary periods highlighted in grey.
Source: RMA and company data.

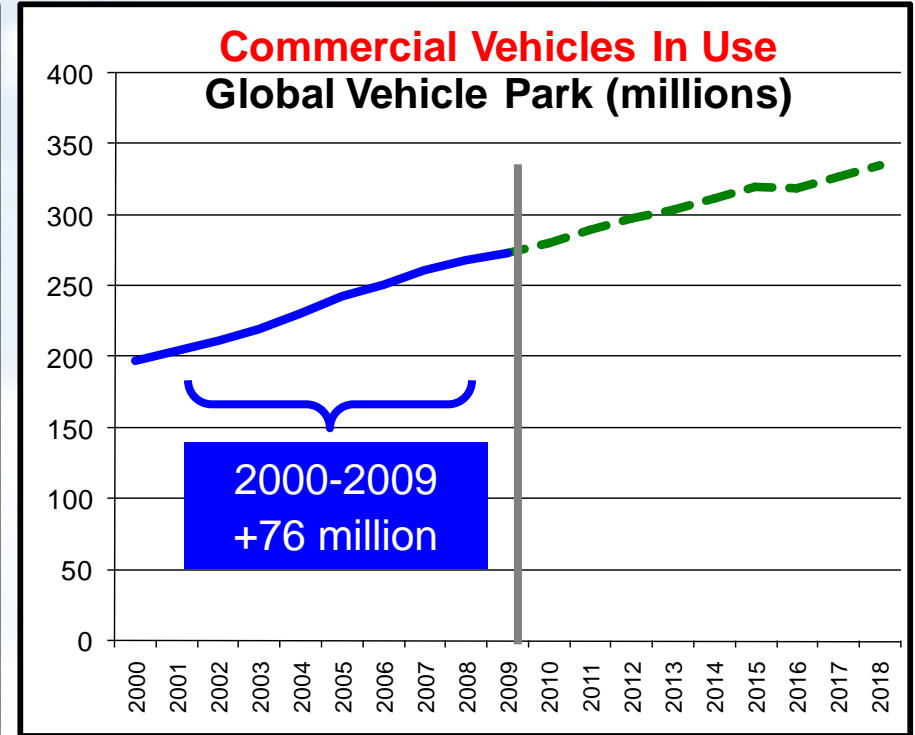
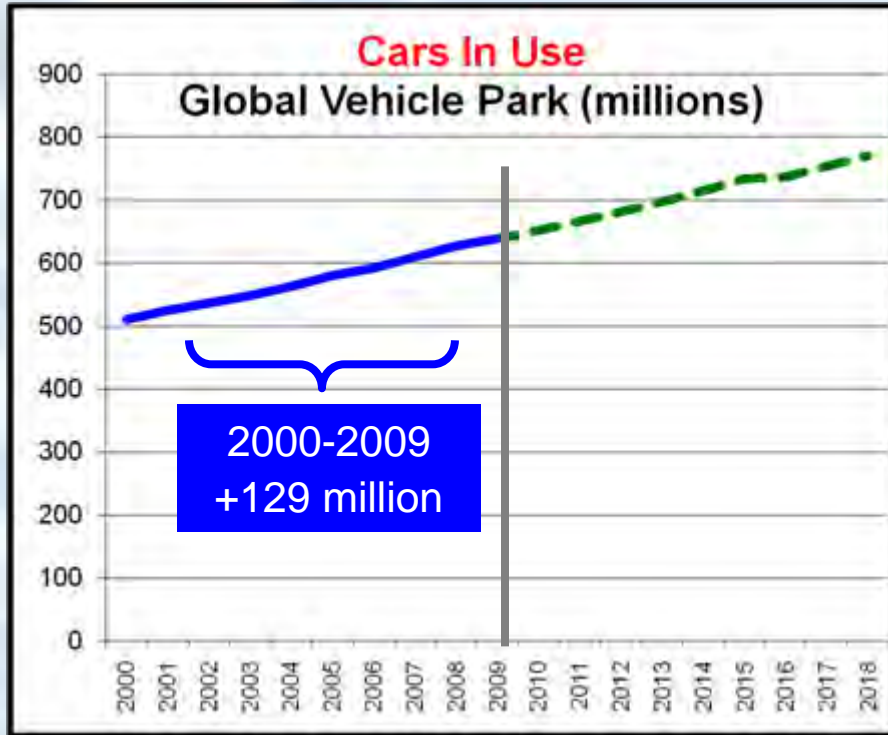
Demand Patterns Similar in Prior Recessions (Commercial Replacement)



Note: Recessionary periods highlighted in grey.

Source: RMA and company data

Markets Will Grow Globally



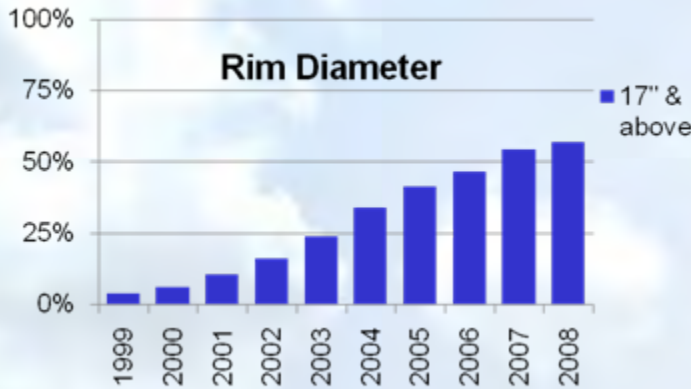
More vehicles = More tires needed = More tires sold (for global players)

Source: HIS Global Insights February 24, 2010

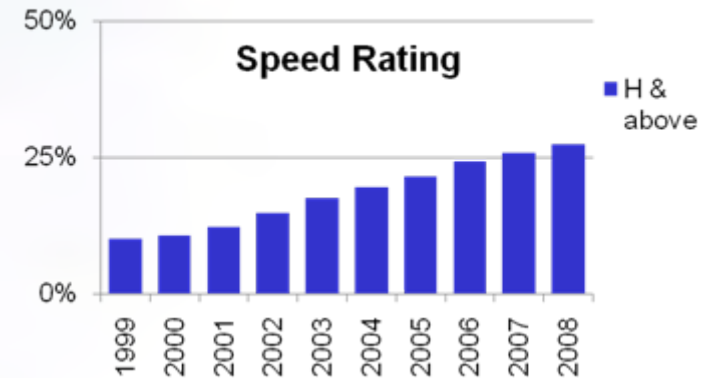
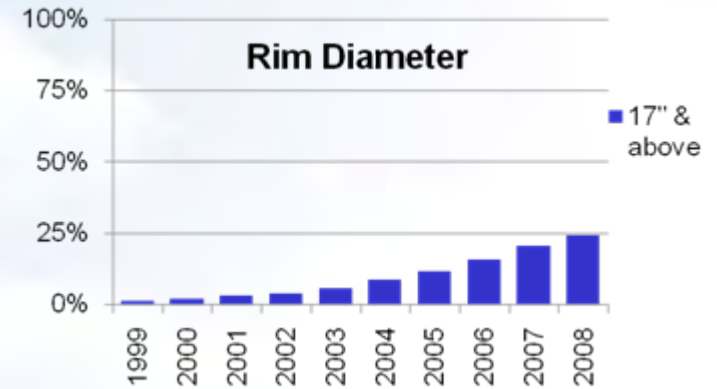
OE Drives HVA Mix Trends (U.S. Market)



OE Market



Replacement Market



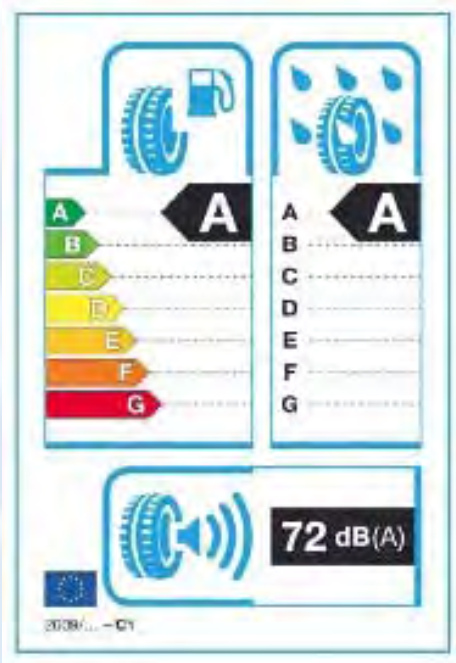
Consumer demand for HVA tires rising as car design/technology evolves

Tire Labeling: EU / US Statutes



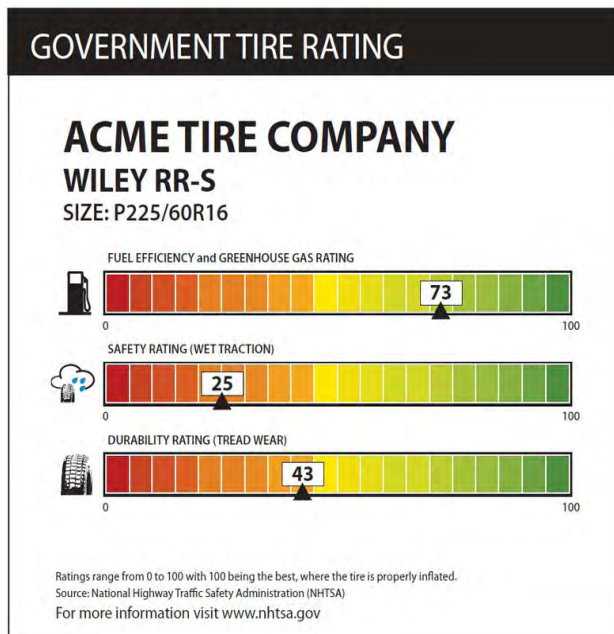
Both US and EU are in process of introducing performance labeling as statutory measure

Europe



EU Regulation 348 to take effect in 2012
(rolling resistance, wet braking, noise)

US



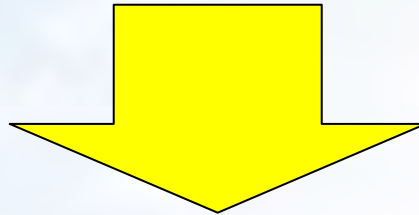
NHTSA rule pending further review - regulation expected Q4 2010

Goodyear well positioned as leader in low rolling resistance

Implications of Trends



- **Growth opportunities are significant**
- **Trends favor companies with higher technology and brand strength**
- **Must focus investments on most significant opportunity areas**



Goodyear strategy aligned to capitalize on trends

Strategic Priorities Aligned to Capitalize on Trends



Leadership

- Continue to strengthen team → blend internal knowledge and external ideas

Product Leadership

- New product engine → delivered with speed
- Migrate technology into new products/segments → enlarge addressable market

Leveraged Distribution

- Customer channel management → "winning with the winners"
- Focus → continued selectivity on where to play (replacement vs OE, branded vs Private Label)

Build Brand Strength

- Strengthen our leading brands → growing market share and driving price/mix to bottom line

Advantaged Supply Chain

- Improved service with lower working capital → win for Goodyear (cash) and customers (reliable)

Lower Cost Structure

- Driving structural improvements → USW, footprint, etc
- Driving continuous improvement → Goodyear Operating System

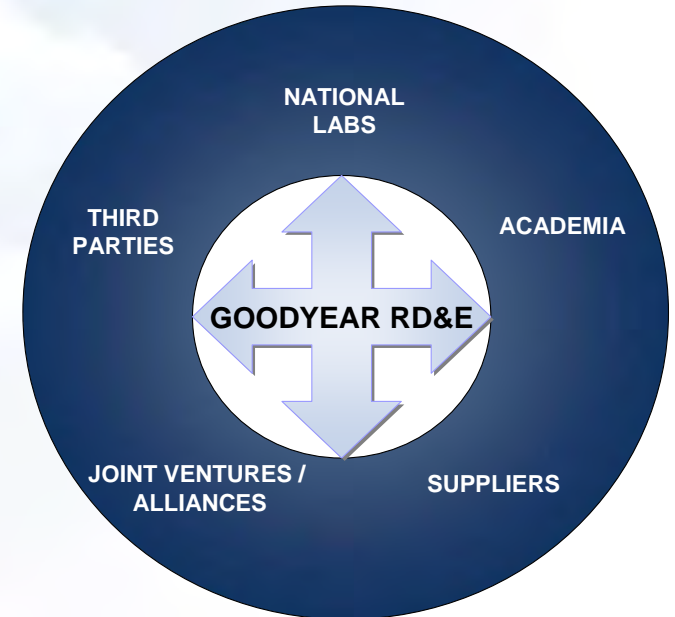
Cash is King

- Efficient CapEx investments → only spend as needed
- Focused participation strategy → sale of non-core assets

Product Leadership Speed of New Product Engine



- Market-back innovation
- Rapidly launch products globally
- Accelerate “Open Innovation” technology development
- Maintain impactful marketing
- Plan to leverage new labeling regulations
- Deliver products to market in less than one year



Goodyear Open Innovation

Product leadership key to sustained business performance

Product Leadership

Key Fuel Efficient Products

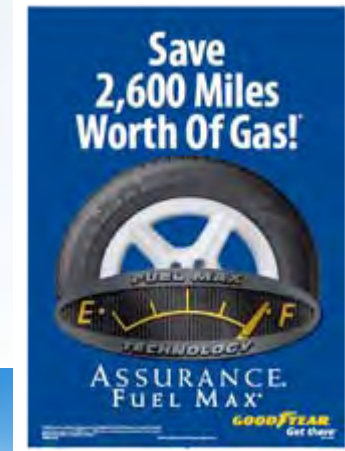


- **Assurance FuelMax (North America)**

- Improved fuel efficiency without compromising performance at a mid-tier price

- **EfficientGrip (Europe)**

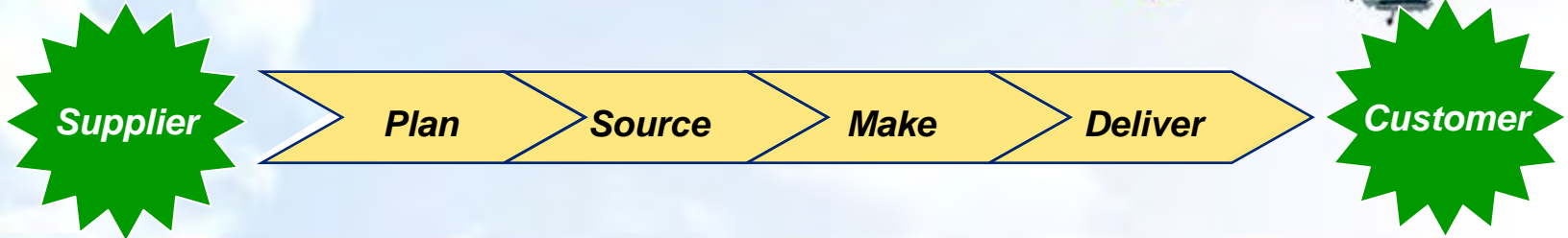
- Tuned to improve fuel efficiency while delivering reduced wet/dry braking distance



EfficientGrip
(Europe)



Advantaged Supply Chain Improved Service / Reduced Working Capital Needs



- **Strategic decision to build Advantaged Supply Chain instrumental to Goodyear competitive position**
 - Focused on having the right tires, at the right time and in the right place
 - Contributed to 2009 inventory reduction of more than \$1.1 billion
- **Key benefits include**
 - Reduces Goodyear inventory requirements
 - Allows dealers to reduce inventory needs
 - Improves customer fill rates
 - Drives cost efficiencies



- Simplifying product portfolios
- Reducing SKUs
- Downsizing logistics
- Improving manufacturing processes and efficiency

**Advantaged Supply Chain provides “classic” win/win
for Goodyear and dealers**

Lower Cost Structure Drive Structural Improvements



- **New cost savings of \$1 billion over three year period**
- **15 to 25 million unit high-cost capacity reduction (8 million announced to date)**
- **Increase low-cost production footprint**
- **Raise low-cost sourcing to more than \$900 million by year-end**
- **Lower unabsorbed fixed costs as volumes continue to recover**

Continued focus on more competitive cost structure

Closing Comments



- **Success of strategy measured by:**
 - **Higher levels of profitability**
 - **Achievement of next stage metrics**
 - **Improved business flexibility**



Thank You



Appendix

Commercial Tires



- **Approximately 20% of total revenue in “normal” environment**
- **2009 global volume down about 30% from 2007 levels**
- **High value of commercial tires magnifies impact of demand changes**
- **Markets recovering globally; pace of recovery unclear**

Product Leadership Migrate Technology into New Products/Segments



Delivering Value to Consumers

- Fuel Efficiency
- Performance
- Safety
- Style/Appearance
- Comfort
- Utility
- Lifespan
- Durability



- + Consumers easily identify with market-relevant innovations
- + Value extends to both replacement and OE markets
- + Each customer category has a different value equation
- + Technology has helped accelerate trends (FuelMax, RunOnFlat, DuraSeal)
- + Attributes packaged to deliver enhanced value across multiple tiers



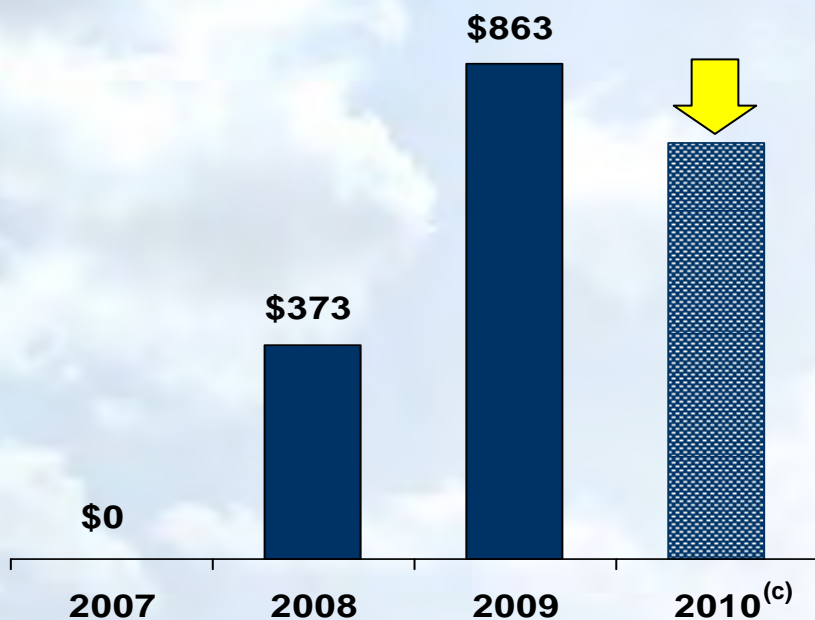
Enlarges Addressable Market

Unabsorbed Fixed Cost

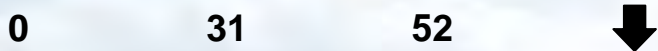


(\$ in millions)

Unabsorbed Fixed Cost^(a)



Production Cuts (millions)^(b)



- **Weak industry demand and inventory reductions drove unabsorbed fixed cost in 2008 and 2009:**
 - Production cuts reached 52 million units in 2009
 - Level of production cuts impact timing of recognition
- **Unabsorbed fixed cost expected to decline in 2010 versus 2009 reflecting higher production**

(a) See appendix on page 32 for details of unabsorbed fixed cost.

(b) Production cuts versus standard volume.

(c) 2010 for representation purposes only.

Unabsorbed Fixed Cost



(in millions)

	2008					2009					2010
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Production Cuts ^(a)	1.4	4.3	8.4	16.8	30.9	13.4	14.2	12.8	11.2	51.6	7.7
<u>Unabsorbed Fixed Cost</u>											
Realized from Current Period Production:											
- Result of Period Costing (formerly SFAS 151)	\$ -	\$ 2	\$ 70	\$ 155	\$ 227	\$ 134	\$ 116	\$ 67	\$ 25	\$ 342	\$ 7
- Through COGS (not SFAS 151 related)	-	-	3	9	12	20	21	22	14	77	2
Realized from Prior Period Production	-	31	53	50	134	46	102	144	152	444	124
Total	\$ -	\$ 33	\$ 126	\$ 214	\$ 373	\$ 200	\$ 239	\$ 233	\$ 191	\$ 863	\$ 133

-\$67

^(a) Production cuts versus standard volume

Financial Results 2009 Actions



Top Line

- Industry leading new product engine
 - Launched 62 new products
 - Accelerating “Open Innovation” technology development
- Assurance Fuel Max an unprecedented success
 - Popular Science magazine’s “100 Most Innovative Products of the Year”
 - Most successful HVA launch in company history
- Maintained price/mix despite declining raw material costs
 - Net benefit of \$322 million

Cost Actions

- 4-point cost savings of \$730 million
- Reduced global workforce by 8%
- Completed USW agreements
 - Comprehensive 4-year agreement
 - Shift reductions at 5 USW plants
 - Union City unprotected status
- Closed Philippines plant
- Announced Amiens North plan to cease consumer tire production

Cash Initiatives

- Net debt reduced to \$2.6 billion
- Lowered inventory by more than \$1.1 billion
 - Advantaged supply chain driving simplification
 - Simplifying product portfolio
- Extended debt maturities
 - May \$1 billion bond transaction
- Reduced capital expenditures to \$746 million
- Repaid \$500 million bond and \$800 million U.S. revolver in December 2009

2009 actions → foundation for success in market recovery

2009 USW Agreements Savings Summary



(\$ in millions)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>5-Year Total</u>
<u>Pre-Bargain Agreements Confirmed</u>						
Plant Shift Reductions ^(a) (Akron, Buffalo, Danville, Topeka and Union City)	\$ 40	\$ 75	\$ 75	\$ 75	\$ 75	\$ 340
<u>2009 Master Agreement</u>						
Increased Productivity	\$ -	\$ 20	\$ 30	\$ 35	\$ 35	\$ 120
Wage & Benefit Savings	-	5	20	30	40	95
Flexibility	-	-	10	15	15	40
Pension/Defined Contribution Plan	(5)	(5)	(10)	(10)	(10)	(40)
	\$ (5)	\$ 20	\$ 50	\$ 70	\$ 80	\$ 215
Total Savings	\$ 35	\$ 95	\$ 125	\$ 145	\$ 155	\$ 555

USW Profit Sharing (not included)

Cumulative cap of \$175 million (12% of EBITDA) over 5 years

2009 Agreements Drive Significant Savings Over Five Years

(a) 2009 savings of \$40 million included in 4-point savings plan.

Legacy Costs and Interest Expense



(\$ in millions)

	2006	2007	2008	2009	2010E
Global pension contributions and direct payments ^(a)	\$708	\$719	\$364	\$430	\$275-\$325
.....					
Pension expense (global) ^(b)	\$388	\$276	\$181	\$387	\$275-\$325
.....					
Postretirement benefit payments ^(c)	\$228	\$225	\$169 ^(d)	\$64	< \$60
.....					
Postretirement benefit expense ^(b)	\$205	\$126	\$78 ^(d)	\$4	< \$10
.....					
Interest Expense	\$463	\$468	\$320	\$311	\$350 - \$375

(a) 2010E only reflects estimated contributions to global pension plans, and does not include estimates for direct benefit payments which were for 2006-2009 ('06 at \$34 million, '07 at \$42 million, '08 at \$56 million and '09 at \$59 million).

(b) Expense is actuarially based and excludes one-time charges. There is approximately a one quarter lag until changes in pension expense are realized in COGS in the Statement of Operations.

(c) Net of participant contributions.

(d) Reflects settlement of liability related to VEBA funding. Benefit payments do not include \$1 billion contribution to VEBA.

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

	2009					2010
	Q1	Q2	Q3	Q4	FY	Q1
Total Segment Operating (Loss) Income	(\$176)	\$24	\$275	\$249	\$372	\$240
Rationalizations	(55)	(136)	(16)	(20)	(227)	(2)
Interest expense	(64)	(79)	(85)	(83)	(311)	(74)
Other income and (expense)	(30)	(32)	(4)	26	(40)	(104)
Asset write-offs and accelerated depreciation	(10)	(12)	(18)	(3)	(43)	(3)
Corporate incentive compensation plans	6	(20)	(15)	(12)	(41)	(7)
Intercompany profit elimination	(26)	(3)	16	-	(13)	(9)
Other	(10)	(13)	(13)	(18)	(54)	(12)
(Loss) Income Before Income Taxes	(\$365)	(\$271)	\$140	\$139	(\$357)	\$29
United States and Foreign Taxes Expense	(17)	(18)	38	4	7	53
Less: Minority Shareholders Net (Loss) Income	(15)	(32)	30	28	11	23
Goodyear Net (Loss) Income	(\$333)	(\$221)	\$72	\$107	(\$375)	(\$47)

Reconciliation for Net Debt



(\$ in millions)

	March 31, 2010	December 31, 2009	March 31, 2009
Long term debt and capital leases	\$4,242	\$ 4,182	\$ 4,645
Notes payable and overdrafts	199	224	317
Long term debt and capital leases due within one year	153	114	564
Total debt	<u>\$4,594</u>	<u>\$ 4,520</u>	<u>\$ 5,526</u>
Less: Cash and cash equivalents	<u>1,774</u>	<u>1,922</u>	<u>1,896</u>
Net debt	<u><u>\$2,820</u></u>	<u><u>\$ 2,598</u></u>	<u><u>\$ 3,630</u></u>
Change in Net Debt vs December 31, 2009	\$ 222		



GOODYEAR
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