



GOODYEAR

Morgan Stanley Global Automotive Conference

March 19, 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



- **Overview**
- **Economic / Industry Environment**
- **Business Platforms**
- **Q&A**

Overview

Leading Market Positions and Brands



(a) Market positions by volume.

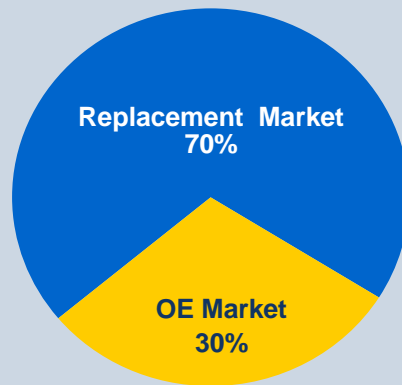
Overview

Goodyear's Sales



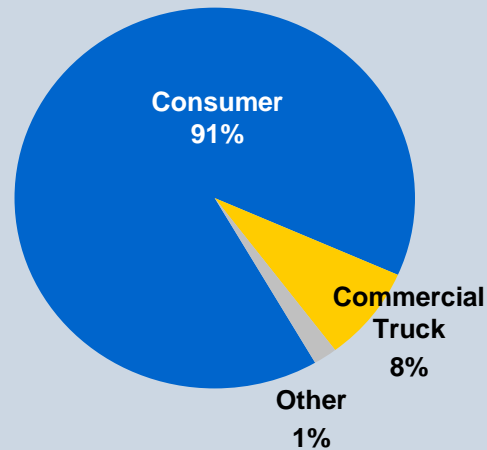
Goodyear tires are sold in two distinct tire markets...

Units

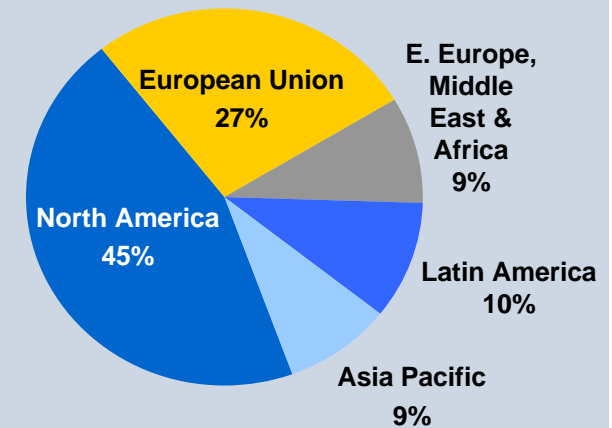


OE < 20% of Revenue

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



...and stretch around the world



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**
- **Respect of our peers in Fortune Survey**
 - Fortune's World's Most Admired Motor Vehicle Parts Company

Overview

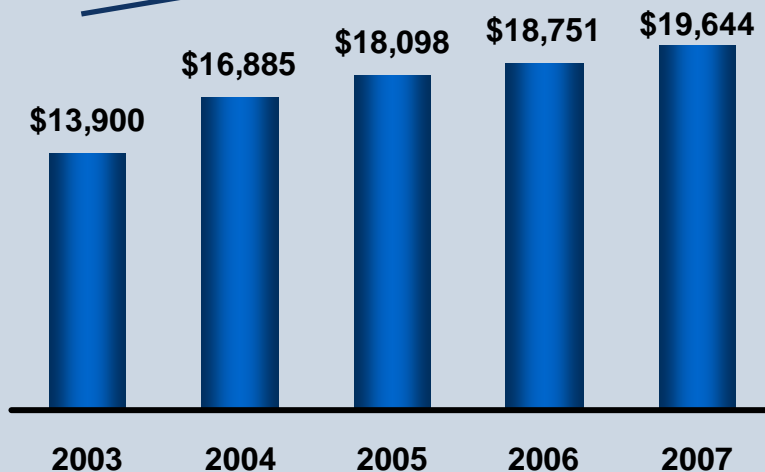
Revenue and Operating Income



Revenue

(\$ in millions)

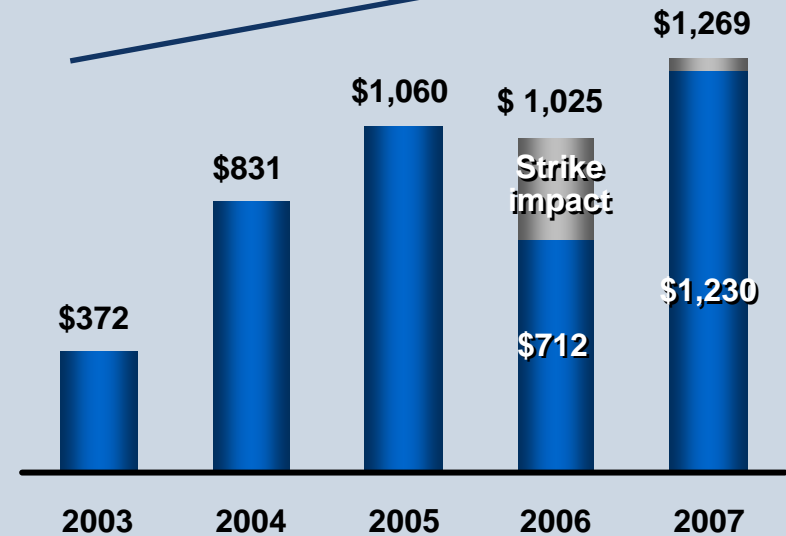
2003 – 2007 CAGR 9%



Total Segment Operating Income^(a)

(\$ in millions)

2003 – 2007 CAGR 36%



(a) FY 2006 and FY 2007 adjusted for estimated strike impact of \$313 million and \$39 million, respectively. See reconciliation of Segment Operating Income to Net Income on slide 36.

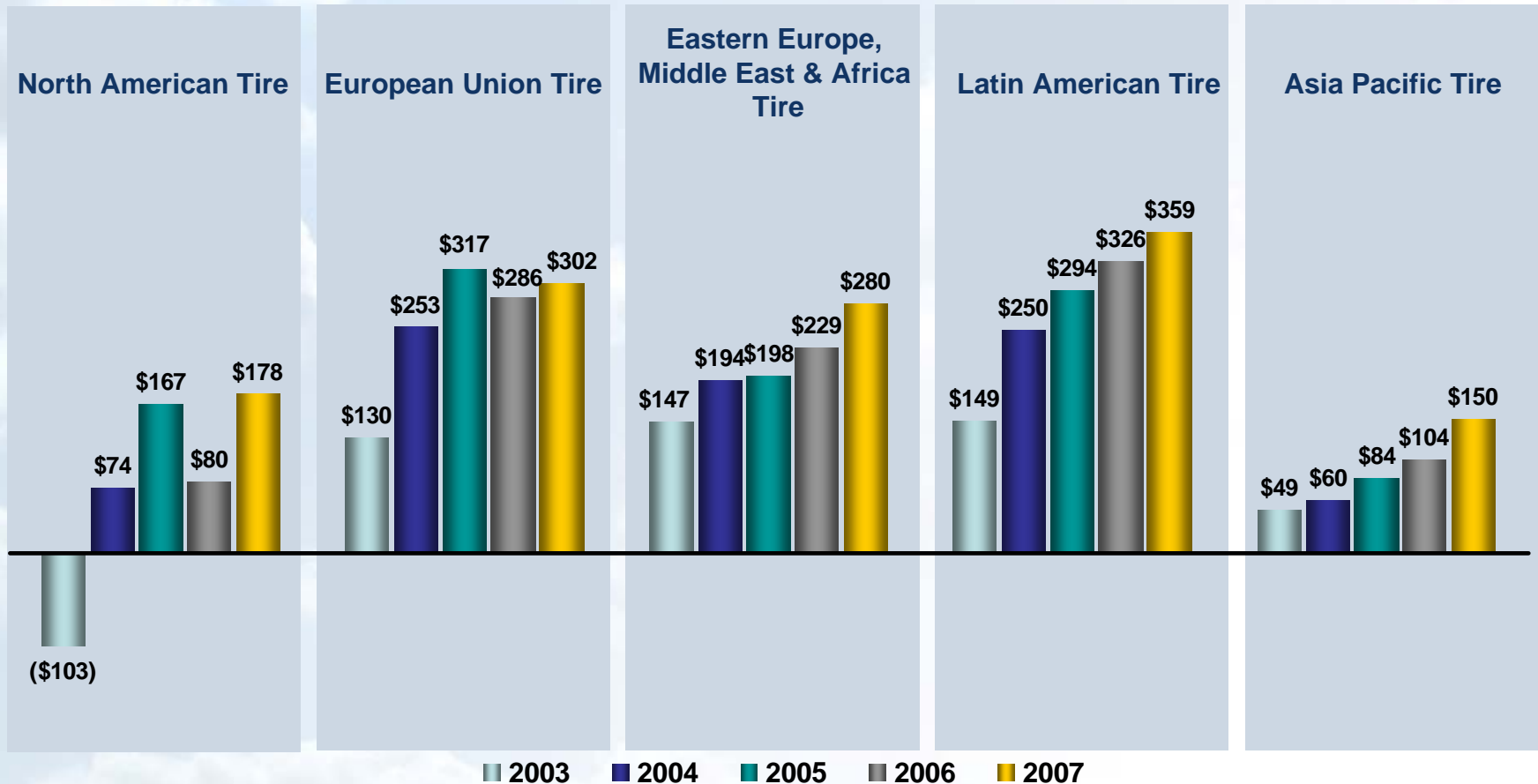
Note: FY 2003 total segment operating income, as presented, is derived by adding the segment operating income of Goodyear's five tire businesses, as reported.

Overview

Segment Results – Segment Operating Income



(\$ in millions)



Strong operating performance across all segments

Note: North American Tire adjusted for estimated strike impact of \$313 million for FY06 and \$39 million in FY07.

Economic / Industry Environment

North America



- **Industry outlook provided in February for U.S. and Europe indicated slow growth in Consumer Replacement and a decline in Consumer OE in the U.S.**
 - **U.S. OE volumes have declined since then based on OE production**
- **Raw material prices have continued to escalate**
- **We are monitoring conditions carefully and will update our outlook as appropriate when we announce our Q1 results.**

Economic / Industry Environment

Differentiated Business Model

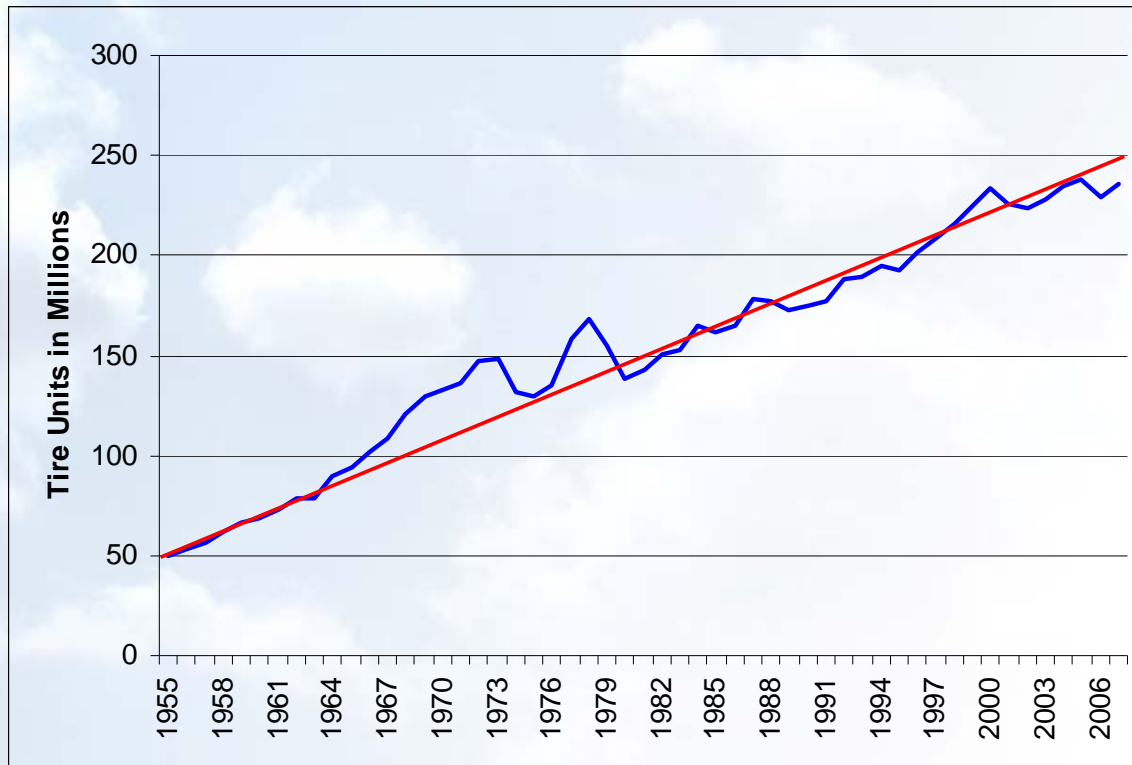


	Typical Auto Supplier	GOODYEAR
Valuable brand	Not applicable	World-renowned brand
Aftermarket	<10% of sales	>80% of sales
Pricing ability	Limited due to dependency on OEMs	11 price increases 2004 to present in U.S. consumer replacement market
Time to market	Multiple years	<1 year
EBITDA vs. North American 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

Economic / Industry Environment

NAT Consumer Replacement Industry

Historical Trends



Only 5 previous times have we seen at least -3%

Business Platforms



- **Better positioned to deal with economic uncertainty than in recent past**
- **Richer product, brand and customer mix**
 - Branded products in high demand
 - 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

Business Platforms

Top-Line Growth



- Tire markets are providing attractive growth opportunities
 - Impactful innovative new product/service offerings targeted at high margin market segments launched at high speed:
 - Eagle GT
 - Assurance
 - Eagle F1 All-Season (Tire Rack Award)
 - Eagle Asymmetric (*EVO*, *Autocar Awards*)
 - DuraSeal Technology
 - ArmorMax Technology
 - Fleet HQ Solutions Center 24/7
- Have the Leading New Product Engine in the Industry
- Now have the integrated marketing capabilities to leverage our new product engine with outstanding marketing programs to both the trade and end users/consumers
 - “Get there”
 - Beijing Olympics
 - The industry’s best global dealer network
 - Outstanding portfolio of brands - globally

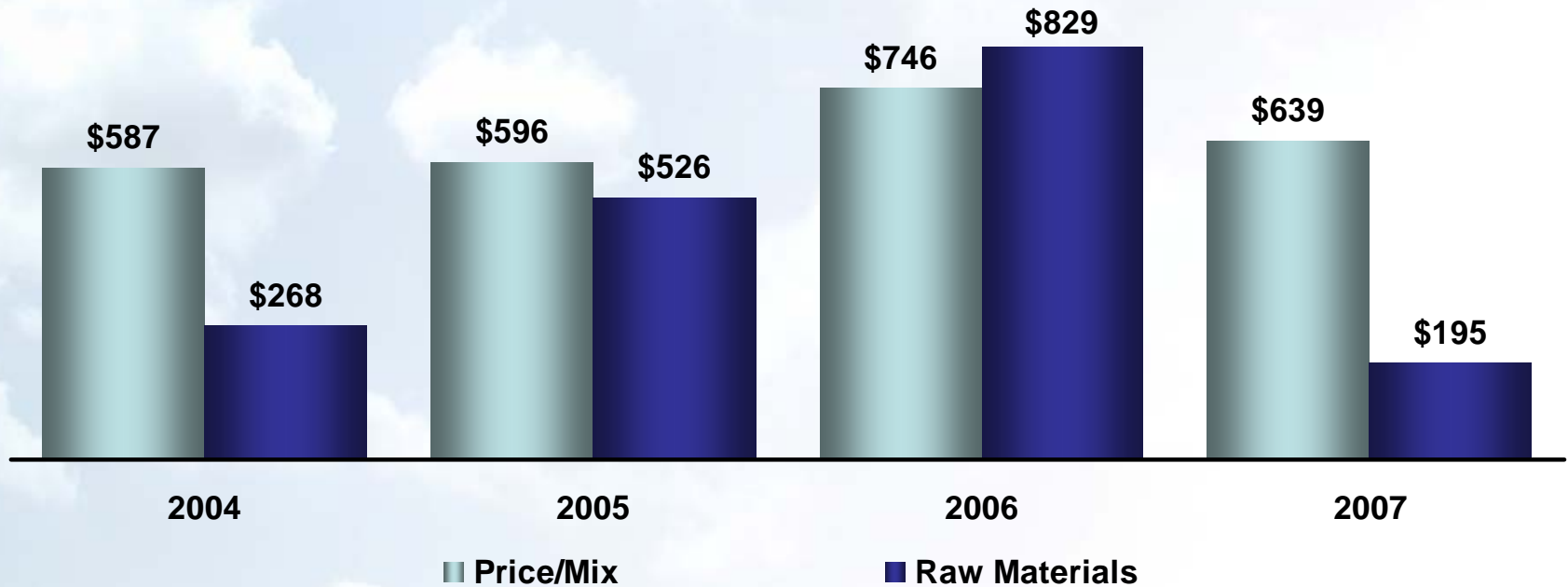
Future Investment will Support / Drive Top Line Growth

Business Platforms

Price/Mix Improvements



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



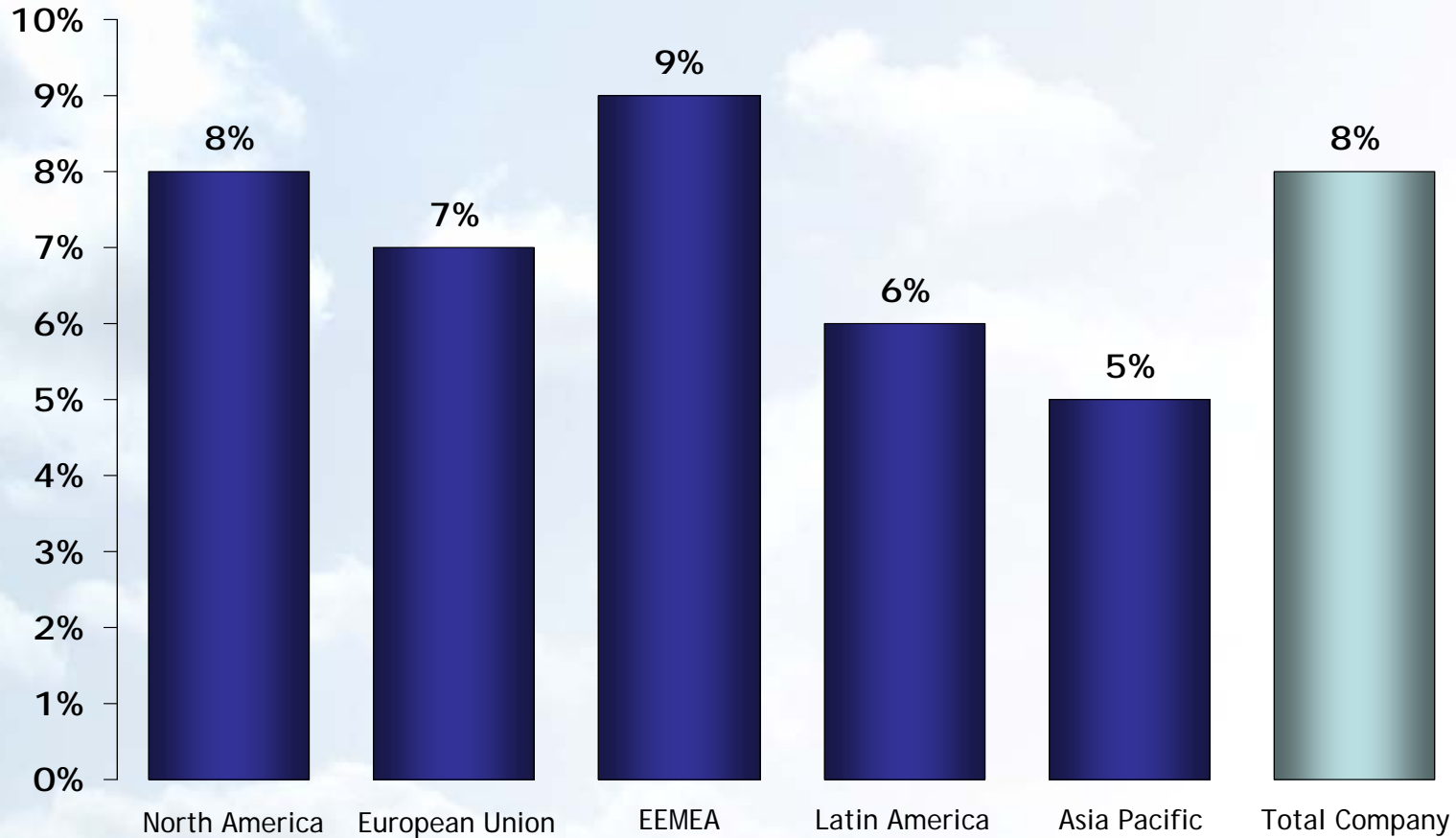
Note: Reflects tire businesses only
Reflects impact on Segment Operating Income

Business Platforms

Revenue Per Tire Increase (FY2007)



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



Driven by price/mix improvement

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**

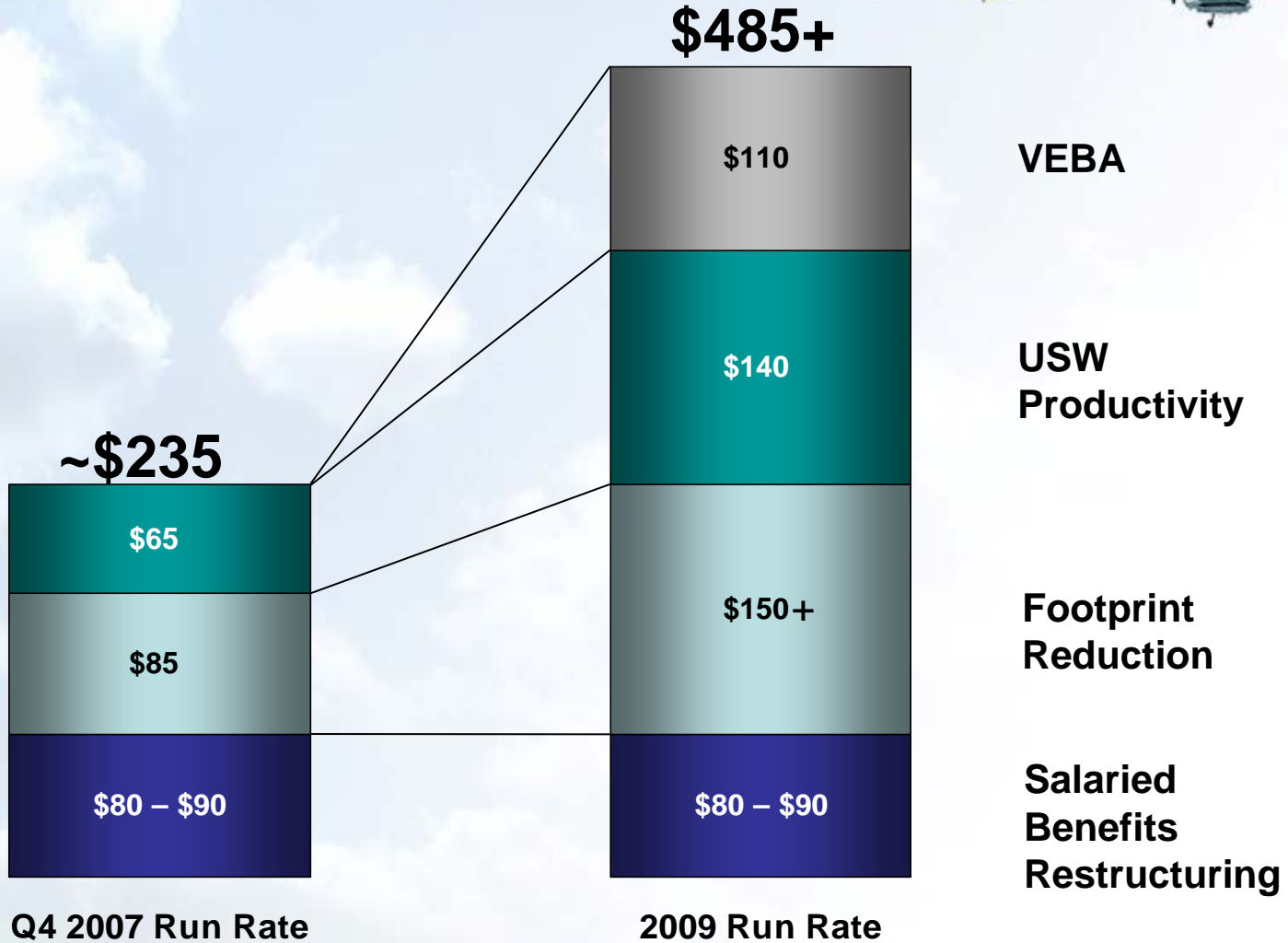
Business Platforms

Structural Cost Savings

Q4 2007 Run Rate vs. 2009 Run Rate



(\$ in millions)



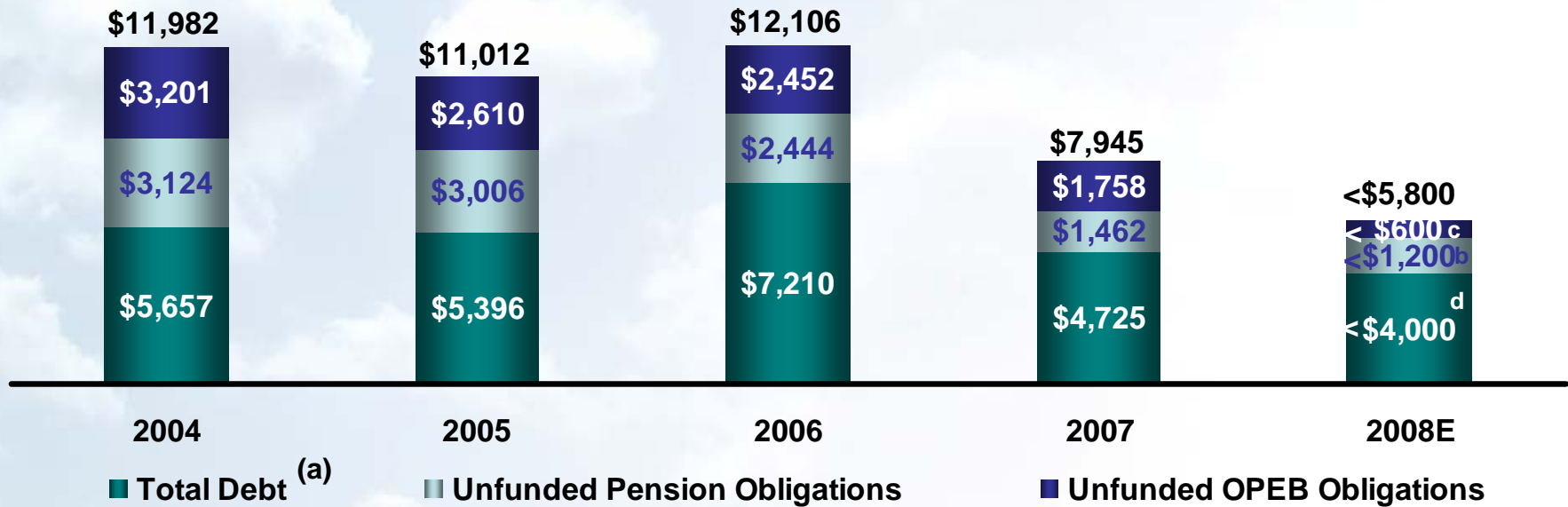
Significant savings to come → mainly NAT

Business Platforms

Stronger Balance Sheet
Debt and Legacy Obligations Addressed



(\$ in millions)



- (a) Historical Total Debt reconciliation in Appendix on page 38
- (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 debt repayments in 2008 to date

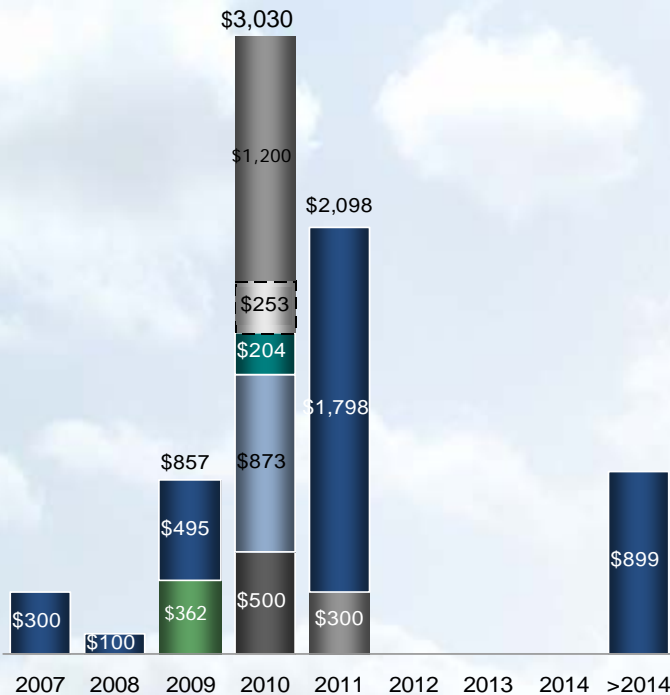
Stronger Balance Sheet Debt Maturity Schedule



(\$ in millions)

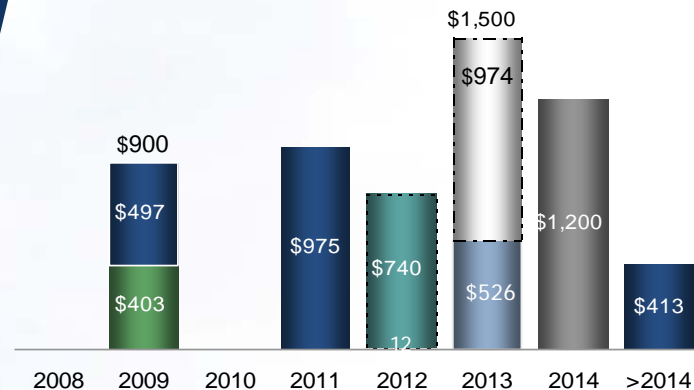
Debt maturity schedule as of 12/31/06

- Deposit Funded Credit Facility
- Euro Facilities
- ABL Term Loan
- A/R Facility
- ABL R/C
- Unused ABL & Euro
- 3rd Lien TL
- Bonds



Pro forma debt maturity schedule as of 3/31/08^a

- LOC
- Undrawn Euro Facilities
- A/R Facility
- Undrawn ABL R/C
- 2nd Lien TL
- Bonds



Refinancing of credit facilities substantially extended maturities, resulting in 80% of debt maturing in 2011 and beyond

(a) Excludes debt repayments in 2008 to date

Business Platforms

Market – Focused Investment Plans



- **CAPEX**

- Increase high-value added (HVA) capacity
 - Increase 50% by 2012 (achieved 15% increase in 2007)
- Increase low-cost capacity to 50% of total by 2012
 - Low cost capacity reached 40% of total at year-end 2007
 - Considering new facilities in Eastern Europe / Asia
 - Supports low-cost and HVA strategies
 - Emerging markets growth opportunity (Consumer and Commercial)
- Focused on high return opportunities well in excess of cost of capital

- **R&D**

- Product innovations
- Focus on market opportunities

- **Marketing**

- Highly efficient marketing
- Focused on key high – margin market segments

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 21

Summary



- **Attractive opportunities to grow core consumer and commercial tire businesses**
- **Investments focused on high return opportunities**
- **Balance sheet well-positioned for economic uncertainty**
- **Proven ability to execute on aggressive cost savings initiatives**
- **Remain confident in ability to achieve Next Stage Metrics**



GOODYEAR
Get there™



Appendix

Fourth Quarter 2007 Performance

Segment Operating Income



(\$ in millions)

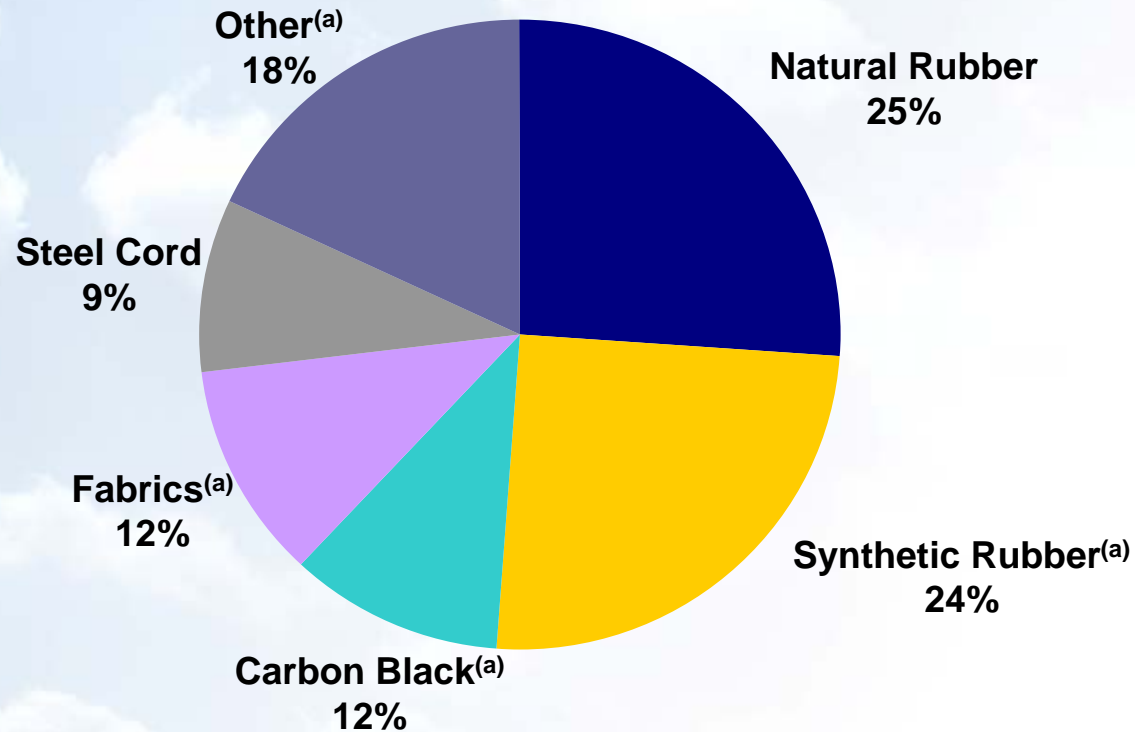


(a) Excludes raw material savings reflected in price/mix net of raw material costs

Raw Material Cost



Raw material cost breakdown



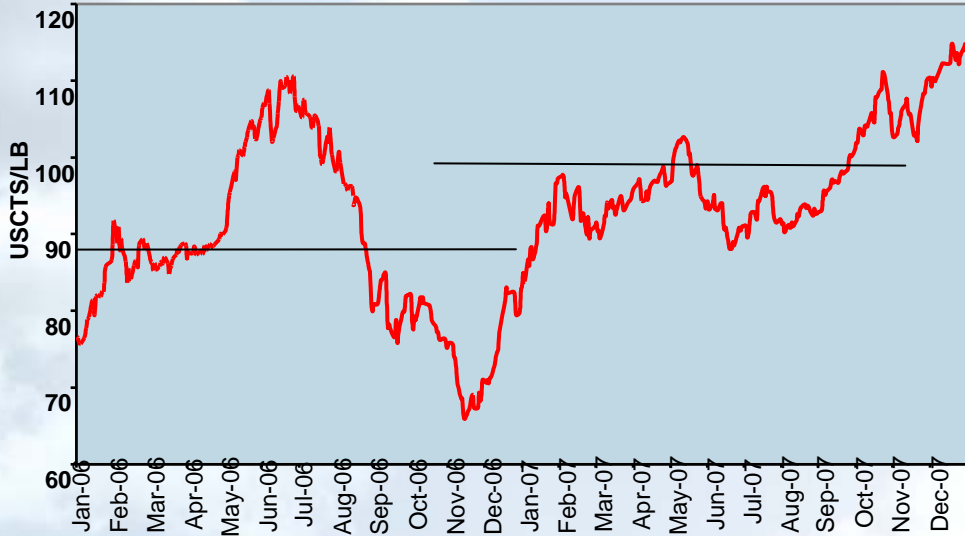
Note: As of FY 2007
(a) Dependent upon oil

Raw materials make up nearly 40% of COGS

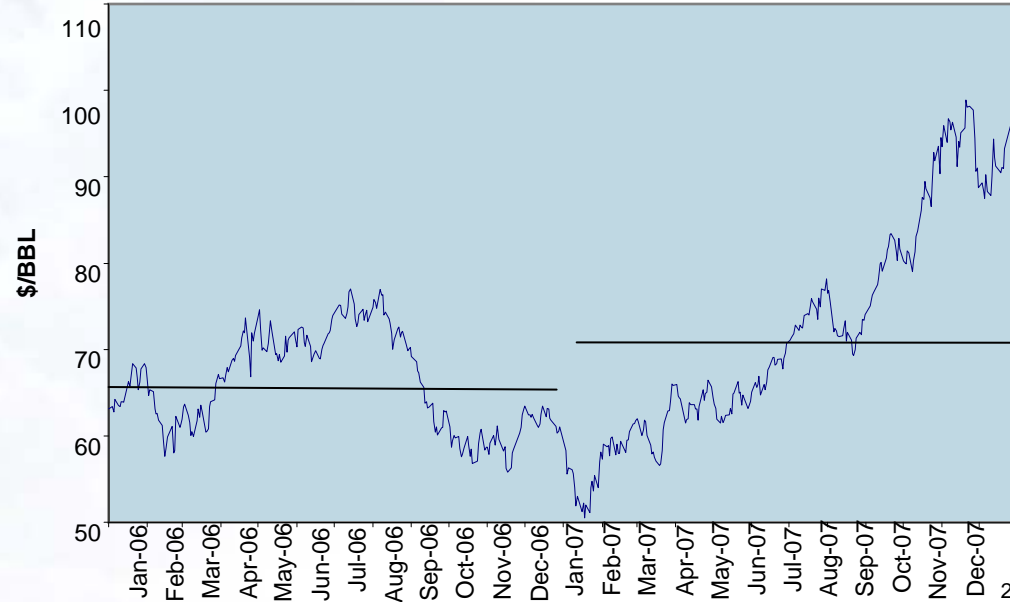
Raw Material Price Trends



Price of Rubber



Price of Oil





Non-Core Businesses Exited

- Engineered Products Division (2007)
- Tire and wheel assembly operations (2007)
- Certain segments of private label tire business (2006 – 2007)
- Tire fabric business (2006)
- North American Farm Tire (2005)
- Rubber plantation (2005)
- Adhesive resins business (2005)

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)

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

Latin American Tire

(In millions)

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

Asia Pacific Tire

(In millions)

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

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 ^(b)	\$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) Total Debt and Net Debt reconciliations in Appendix on page 38

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 39

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 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 37

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

Reconciliation for Segment Operating Income / Margin



Full Year Segment Operating Income Reconciliation

(\$ in millions)

	Twelve Months Ended December 31,			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Segment Operating Income	\$ 831	\$ 1,060	\$ 712	\$ 1,230
Rationalizations	(33)	(7)	(311)	(49)
Accelerated depreciation	(7)	(4)	(88)	(37)
Interest expense	(368)	(408)	(447)	(450)
Corporate incentive compensation plans	(20)	(28)	(66)	(77)
Intercompany profit elimination	(6)	13	(11)	(11)
Curtailment	-	-	-	(64)
Retained expenses of discontinued operations	(67)	(52)	(48)	(17)
Other Income, net less equity in earnings of affiliates	(22)	(73)	77	(8)
Other	(74)	(49)	(20)	(53)
Income (Loss) from continuing operations before income taxes	\$ 234	\$ 452	\$ (202)	\$ 464
Minority interest in net income of subsidiaries	(58)	(95)	(111)	(70)
United States and foreign taxes	(162)	(233)	(60)	(255)
Net Income (Loss) from continuing operations	14	124	(373)	139
Discontinued operations	101	115	43	463
Cumulative effect of accounting change	-	(11)	-	-
Net Income (Loss)	<u>\$ 115</u>	<u>\$ 228</u>	<u>\$ (330)</u>	<u>\$ 602</u>
Net Income (Loss) from continuing operations	\$ 14	\$ 124	\$ (373)	\$ 139
Sales	\$ 16,885	\$ 18,098	\$ 18,751	\$ 19,644
Return on Sales	0.1%	0.7%	-2.0%	0.7%
Total Segment Operating Margin	4.9%	5.9%	3.8%	6.3%

Reconciliation for Segment Operating Income / Margin



(\$ in millions)

	Fourth Quarter	
	2007	2006
Total Segment Operating Income (Loss)	\$313	(\$86)
Rationalizations	(25)	(101)
Accelerated depreciation	(6)	(34)
Interest expense	(99)	(137)
Corporate incentive compensation plans	(13)	(26)
Intercompany profit elimination	1	12
Curtailement	0	0
Retained expenses of discontinued operations	0	(11)
Other Income, net less equity in earnings of affiliates	(18)	47
Other	(28)	(19)
Income (Loss) from continuing operations before income taxes	\$125	(\$355)
Minority interest in net income of subsidiaries	(18)	(69)
United States and foreign taxes	(46)	114
Net Income (Loss) from continuing operations	61	(310)
Discontinued operations	(9)	(48)
Net Income (Loss)	\$52	(\$358)
Net Income (Loss) from continuing operations	\$61	(\$310)
Sales	\$5,160	\$4,638
Return on Sales	1.2%	-6.7%
Total Segment Operating Margin	6.1%	-1.9%

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



GOODYEAR
Get there™