GOODYEAR

Fourth Quarter & Full Year 2008 Conference Call

February 18, 2009

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: deteriorating economic conditions or an inability to access capital markets; our ability to realize anticipated savings and operational benefits from our cost reduction initiatives or to implement successfully other strategic initiatives; actions and initiatives taken by both current and potential competitors; pension plan funding obligations; increases in the prices paid for raw materials and energy; 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

- **Full Year Highlights & Strategy Update**
- **Financial Results**
- **Industry Outlook**
- **Q&A**

Executive Overview

- **Global economic slowdown continues to have significant impact on industry and Goodyear:**
  - **Impact increased in severity and geographic scope throughout 2008**
  - **Significant impact on industry demand across all business units by year-end**
- **Industry environment expected to remain extremely difficult in 2009**
- **Goodyear continues to take aggressive actions to address current market challenges**

Full Year 2008 Highlights

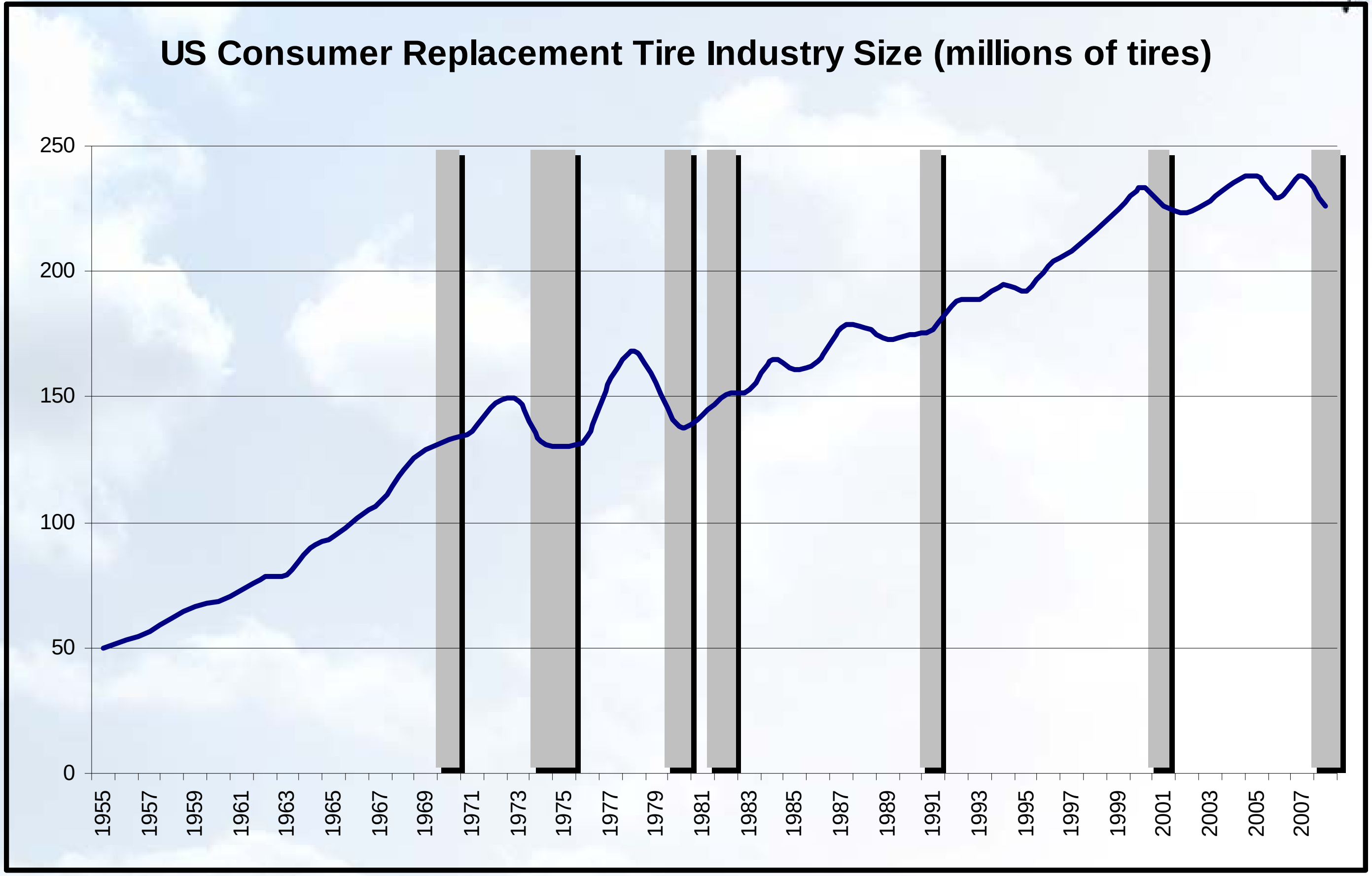
- **Global revenue per tire increased by 8%**
- **Price/Mix offset full-year raw material cost increases of 13%**
- **Record revenue in EMEA, Latin America and Asia Pacific**
- **Improved Goodyear branded products market share**
- **Record segment operating income in Latin America and Asia Pacific**
- **4-point cost plan savings of $700 million in 2008**
  - **Restructuring actions include Tyler, Texas mix facility, Somerton, Australia tire plant and retail store closures**
  - **VEBA agreement**
- **Aggressively curtailed production – 30 million units**
- **Total segment operating income of approximately $800 million**
- **Significant 3rd party recognition *(Fortune Magazine, Forbes)***

Business Environment Remains Challenging

- **Economic realities of 2008 drive challenging 2009 business environment:**
  - **Economic contraction in certain major markets during Q4**
- **North America facing persistent market trends:**
  - **U.S. miles driven continues to decline with more than 100 billion fewer miles driven Jan ‘08 - Nov ’08**
  - **Vehicle demand remains weak**
  - **Historical U.S. consumer market volumes provide positive perspective on post-recession demand**
- **Overseas market challenges continue**

Goodyear Taking Actions to Address New Market Realities

Historical U.S. Consumer Replacement Volumes



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

Demand Patterns Similar in Prior Recessions

Strategic Drivers

7 Strategic Drivers

- Leadership
- Product Leadership
- Leveraged Distribution
- Build Brand Strength
- Advantaged Supply Chain
- Lower Cost Structure
- Cash is King

- Define our progress
- Define our direction
- Define our expected results

Seven Strategic Drivers

Top Line Growth

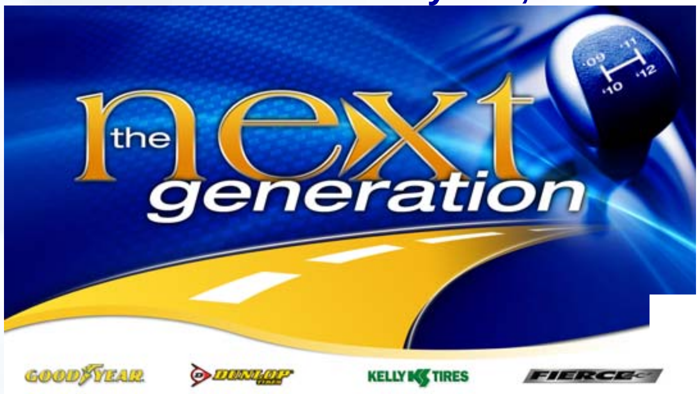
- Leadership
- Product Leadership
- Leveraged Distribution
- Build Brand Strength
- Advantaged Supply Chain
- Lower Cost Structure
- Cash is King

- **Improved mix and increasing revenue per tire**
- **Price/mix benefits offsetting raw material impact**
- **Increasing Goodyear brand market share**
- **Overwhelming third party product endorsements**

Top Line Growth
Product Leadership

- **February 2009 North American Dealer Conference:**
  - **Attendance surpassed 2008 level**
  - **Introduced 16 new products**
  - **Dealers enthusiastic and supportive of new product strategies**
  - **Debut of Assurance Fuel Max**
- **Launching 50 new products in 2009 across the globe**
- **Leveraging new product capabilities to support Top Line Growth initiatives**

North American Dealer Conference February 1–3, 2009



Lower Cost
2008 4-Point Cost Status

4-Point Cost Savings Plan

Continuous Improvement / USW savings

- USW Contract Savings
- Business Process Improvements (Productivity, Six Sigma, Lean Manufacturing)
- Manufacturing efficiencies (Staff and shift reductions)
- Leverage Manufacturing Upgrades
- Product Reformulation

Savings by 2009: Approximately $1.7 billion

Progress to Date: Approx. $1.3 billion

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

Progress to Date: Approx. $120 million

Low-Cost Country Sourcing

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

Savings by 2009: $200 – $300 million

Progress to Date: Approx. $145 million

Note: Excludes cash savings related to capital expenditures

Selling, Administrative & General

- Back-office Consolidation
- Legal Entity Reduction
- Headcount Rationalization
- Warehouse Consolidation / Supply Chain Improvements

Savings by 2009: More than $350 million

Progress to Date: Approx. $230 million

More than $700 million of savings in 2008 and approximately $1.8 billion achieved over the life of the plan

Seven Strategic Drivers
New 2009 Cost Actions

- Reduce global workforce by nearly 5,000
- Freeze on salaries globally
- Lower manufacturing cost by reducing work schedules, shifts and third party sourcing
- Increase continuous improvement savings through lean manufacturing and Six Sigma
- Deliver increased purchasing savings
- Eliminate non-essential discretionary spending
- Continue to close underperforming retail stores
- Decrease manufacturing capacity by 15 to 25 million units over next two years

New 2009 Cost Actions Drive Cost Structure Lower

Seven Strategic Drivers

New 2009 Cash Actions

- **Lower inventory by more than $500 million**
- **Reduce capital expenditures to $700 to $800 million**
- **Pursuing additional non-core asset sales**
- **Preparing further contingency actions**

Taking Significant Actions – Preparing Future Actions if Warranted

Summary Comments

- **Despite economic environment, Goodyear consistently executed strategies in 2008**
- **Goodyear continues to drive performance:**
  - **Proven track record when facing adversity**
  - **Leverage business model changes**
  - **Continued focus on new product innovation**
  - **Taking significant cost actions**
  - **Absolute focus on managing for cash**
- **Continue to focus on strategies that drive long-term competitiveness – <u>key when markets recover</u>**

Fourth Quarter Financial Summary

- **Key Considerations:**
  - **"Double hit" from production cuts and inventory management**
  - **Peak of raw material cycle (Q4'08/Q1'09)**
  - **Price/Mix benefits significant**
  - **Liquidity remains solid**
  - **Aggressive actions to address difficult market**

Fourth Quarter 2008
Industry Summary

			Industry Volumes (% change versus 2007)
Consumer	Replacement	North America	(13)
		Europe	(10)
	OE	North America	(33)
		Europe	(23)
Commercial	Replacement	North America	(23)
		Europe	(27)
	OE	North America	(20)
		Europe	(35)

Industry Volumes Declined Significantly in the Quarter

Fourth Quarter 2008 Results
Income Statement

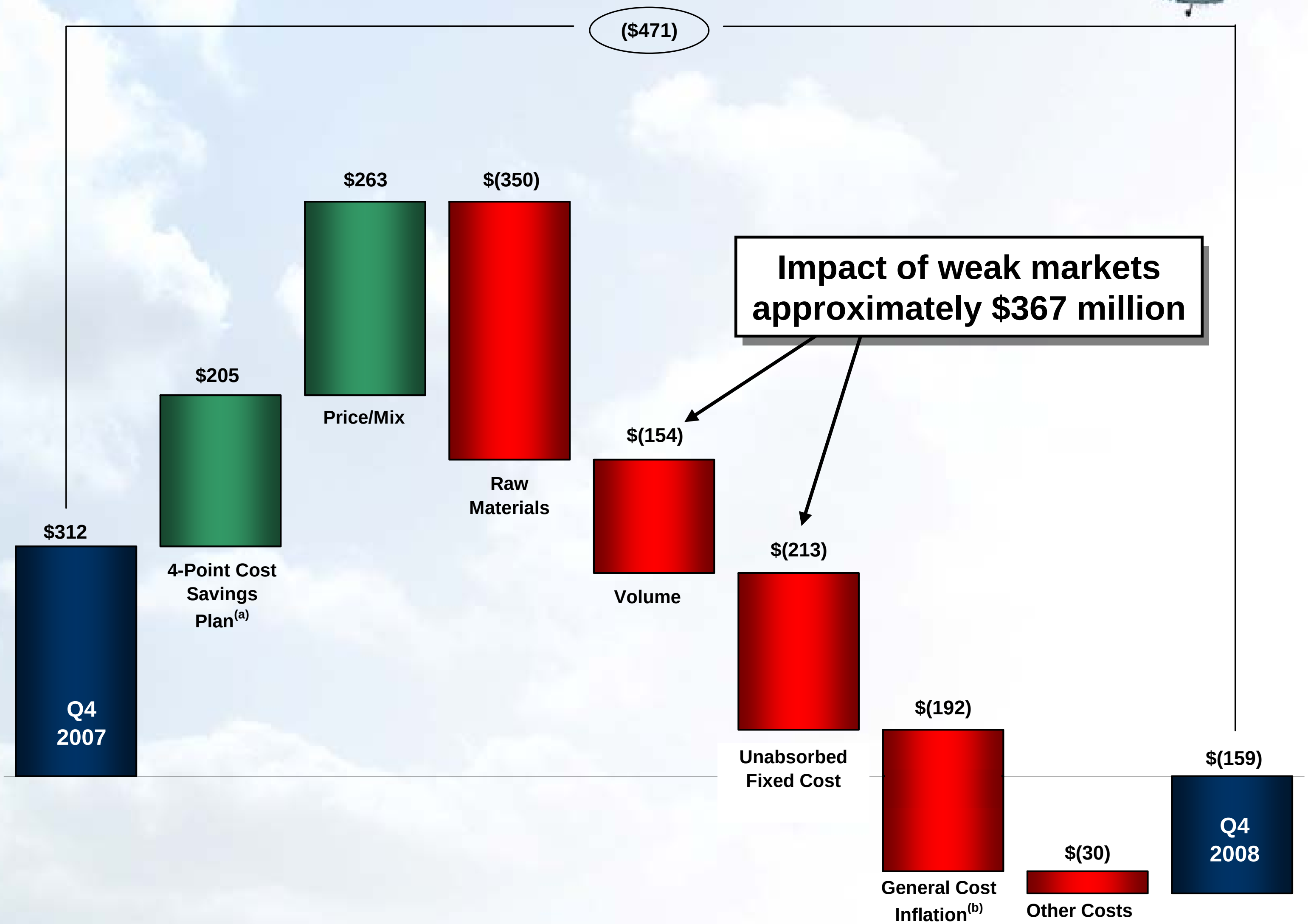
Total Company
(In millions, except Margin and EPS)

	Fourth Quarter		
	2008	2007	Change
Units	40.5	50.0	-18.9%
Net Sales	$4,135	$5,160	-19.9%
Gross Margin	11.3%	19.5%	-8.2 pts
SAG	$603	$737	-18.2%
Segment Operating Income (Loss)[a]	($159)	$312	-151.0%
Segment Operating Margin[a]	-3.8%	6.0%	-9.8 pts
Income (Loss) from Continuing Operations	($330)	$61	
Income (Loss) per Share from Continuing Operations - Diluted	($1.37)	$0.27	

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

Fourth Quarter 2008
Segment Operating Results

($ in millions)



(a) Excludes raw material savings reflected in price/mix net of raw material costs.
(b) Estimated impact of inflation (wages, utilities, energy, transportation, and other).

4-Point Cost Savings Plan
Increased 2009 Target

4-Point Cost Savings Plan

Continuous Improvement / USW savings

- USW Contract Savings
- Business Process Improvements (Productivity, Six Sigma, Lean Manufacturing)
- Manufacturing efficiencies (Staff and shift reductions)
- Leverage Manufacturing Upgrades
- Product Reformulation

Savings by 2009: Approximately $1.7 billion

Progress to Date: Approx. $1.3 billion

Reduce Footprint

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

Plan to reduce additional <u>15 to 25 million units</u> of capacity over the next 2 years (savings not reflected in 4-point plan)

Progress to Date: Approx. $120 million

Low-Cost Country Sourcing

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

Savings by 2009: $200 – $300 million

Progress to Date: Approx. $145 million

Note: Excludes cash savings related to capital expenditures

Selling, Administrative & General

- Back-office Consolidation
- Legal Entity Reduction
- Headcount Rationalization
- Warehouse Consolidation / Supply Chain Improvements

Savings by 2009: More than $350 million

Progress to Date: Approx. $230 million

4- Point Cost Savings Target Increased to $2.5 billion
Expect 2009 savings of $700 million

2008 Year-End Postretirement Funded Status

($ in millions)

	December 31, 2008	December 31, 2007
<u>Postretirement Funded Status</u>		
U.S. pension	$ (2,129)	$ (649)
Non-U.S. pension	(619)	(813)
Other postretirement benefits	(510)	(1,758)
Net unfunded obligation	$ (3,258)	$ (3,220)

2008 Year-End Balance Sheet

($ in millions)

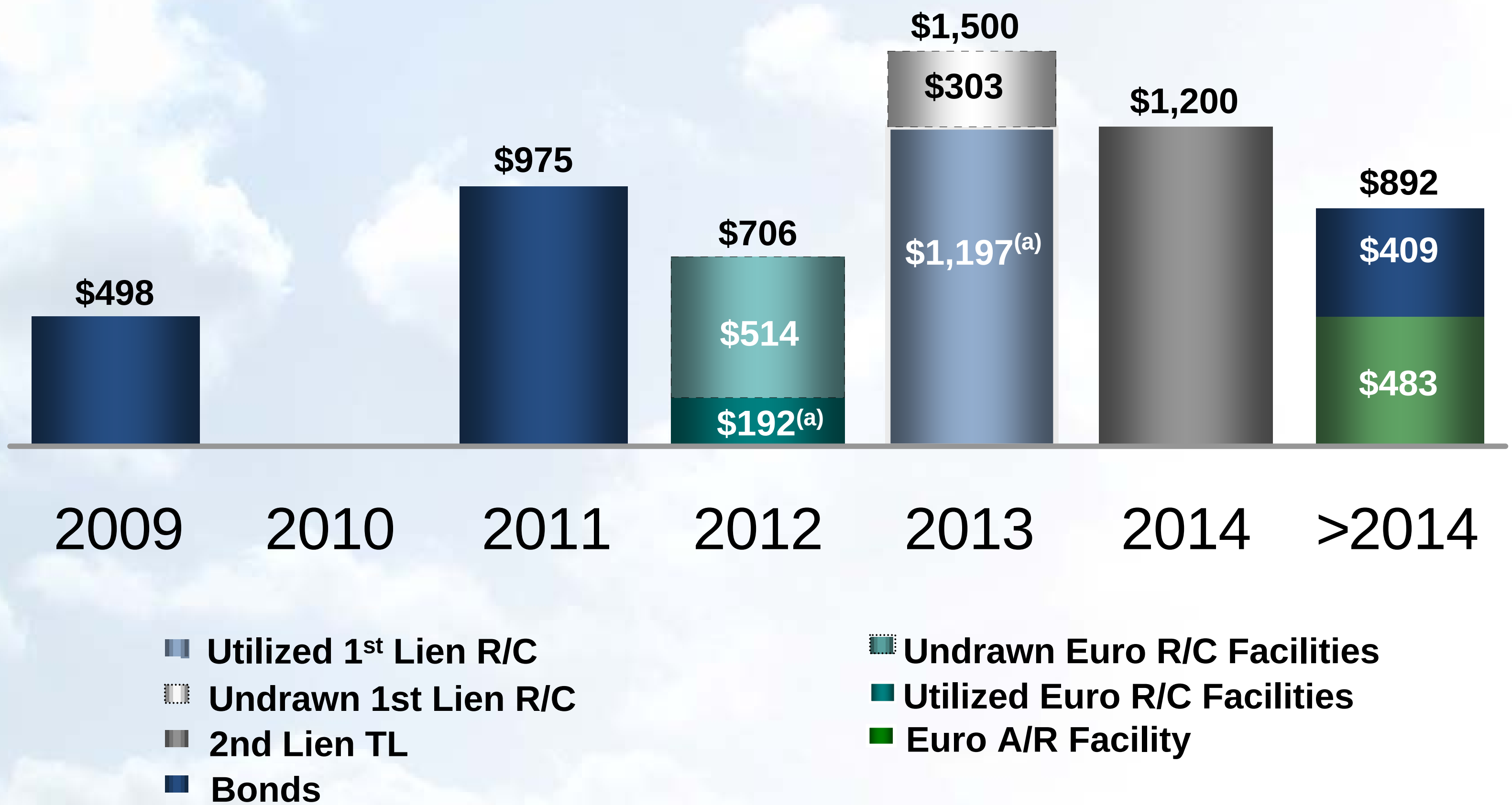
	December 31, 2008	September 30, 2008	December 31, 2007
Cash and cash equivalents	$ 1,894	$ 1,606	$ 3,463
Accounts receivable	2,547	3,681	3,103
Inventories	3,592	3,860	3,164
Accounts payable - trade	(2,509)	(2,602)	(2,422)
Working capital[a]	$ 3,630	$ 4,939	$ 3,845
Total debt[b]	$ 4,979	$ 5,391	$ 4,725
Net debt[b]	$ 3,085	$ 3,785	$ 1,262

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

Management for Cash

Debt Maturities

($ in millions)



Over 90% of maturities in 2011 and beyond

Note: Based on balance sheet values and excludes notes payable, capital leases and other domestic and foreign debt.

(a) Includes $497 million of letters of credit issued under the U.S. revolving credit facility and $10 million under the European revolving facility.

Fourth Quarter 2008 Results

North American Tire

(In millions)

	Fourth Quarter		
	2008	2007	Change
Units	16.9	20.5	-17.4%
Net Sales	$1,943	$2,284	-14.9%
Segment Operating Income (Loss)	($193)	$40	
Margin	-10.0%	1.8%	

- **Weak industry demand continues to impact sales and profits**
- **Revenue per tire increased 10%**
- **Raw material increases more than offset price/mix benefits**
- **Goodyear brand continues to gain share**
- **Production cuts of 6 million units**

Fourth Quarter 2008 Results

Europe, Middle East and Africa Tire

(In millions)

	Fourth Quarter		
	2008	**2007**	**Change**
Units	15.1	19.0	-20.6%
Net Sales	$1,406	$1,906	-26.2%
Segment Operating Income (Loss)	($32)	$141	
Margin	-2.3%	7.4%	

- **Results reflect weakened industry demand that accelerated in Q4**
- **Revenue per tire increased 5%**
- **Goodyear and Dunlop branded share continued to increase**
- **Raw material increases more than offset price/mix benefits**
- **Production cuts totaled 6 million units**

Fourth Quarter 2008 Results

Latin American Tire

(In millions)	Fourth Quarter		
	2008	**2007**	**Change**
Units	4.1	5.6	-25.9%
Net Sales	$405	$513	-21.1%
Segment Operating Income	$49	$92	-46.7%

- **Impact of weak demand and unfavorable foreign currency translation were significant**
- **Revenue per tire increased 23%**
- **Price/mix more than offset higher raw material costs**
- **Production cuts totaled 2.5 million units**

Fourth Quarter 2008 Results

Asia Pacific Tire

(In millions)	Fourth Quarter		
	2008	**2007**	**Change**
Units	4.4	4.9	-10.6%
Net Sales	$381	$457	-16.6%
Segment Operating Income	$17	$39	-56.4%

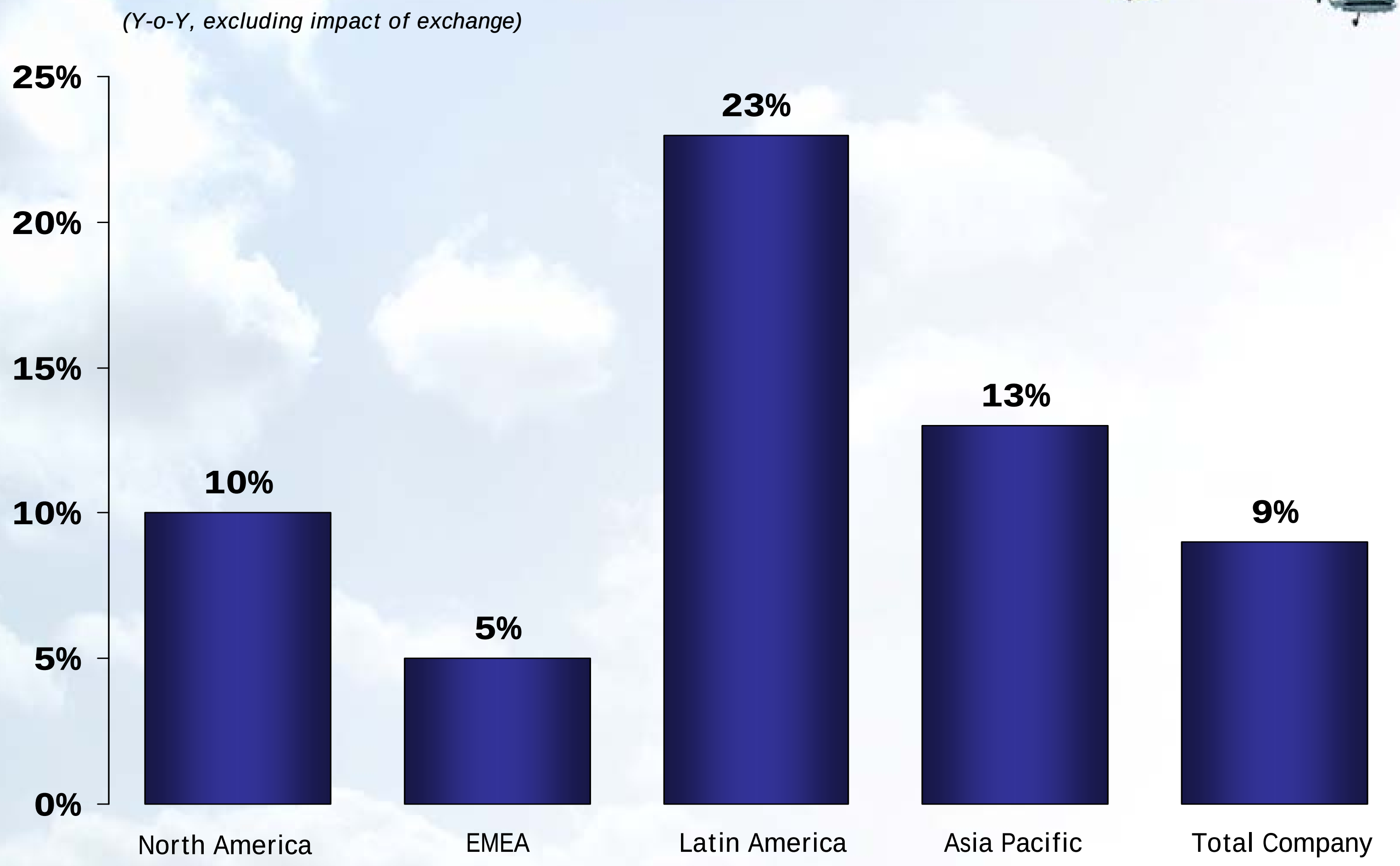
- **Weak demand and unfavorable foreign currency translation contributed to lower earnings**
- **Revenue per tire increased 13%**
- **Price/mix benefits more than offset by higher raw material costs**
- **Production cuts totaled 2.3 million units**

2009 Outlook

- **Industry environment remains challenging:**
  - **Maintaining high level of flexibility**
  - **Additional production cuts planned for Q1 (approximately 12 million units)**
  - **First half raw material costs expected to increase 15% to 18%**
- **Full year interest expense of $315 to $335 million**
- **Tax expense about 25% of international segment operating income**

Appendix

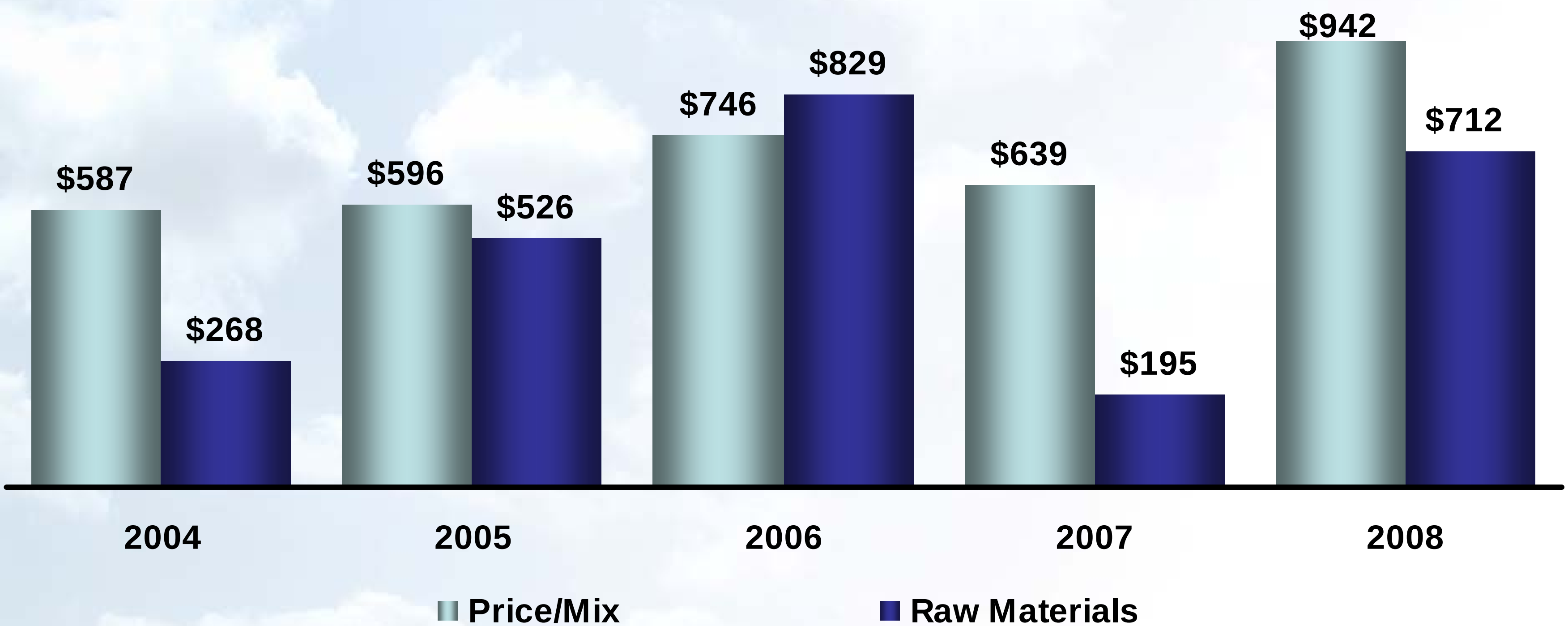
Fourth Quarter 2008
Revenue Per Tire Increase



Driven by price/mix improvement

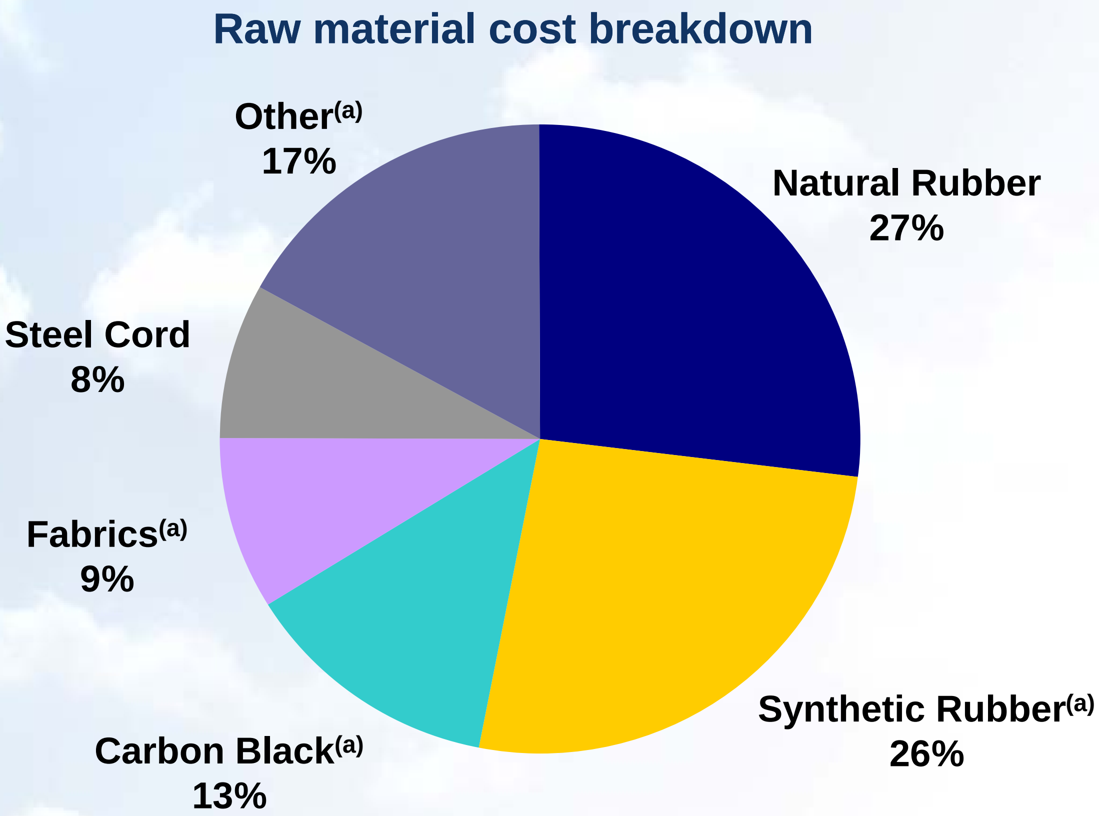
Top Line
Price/Mix Improvements

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



Note: **Reflects impact on Segment Operating Income.**

Raw Material Cost



Note: As of FY 2008.
(a) Dependent upon oil.

Raw materials make up approx. 40% of COGS

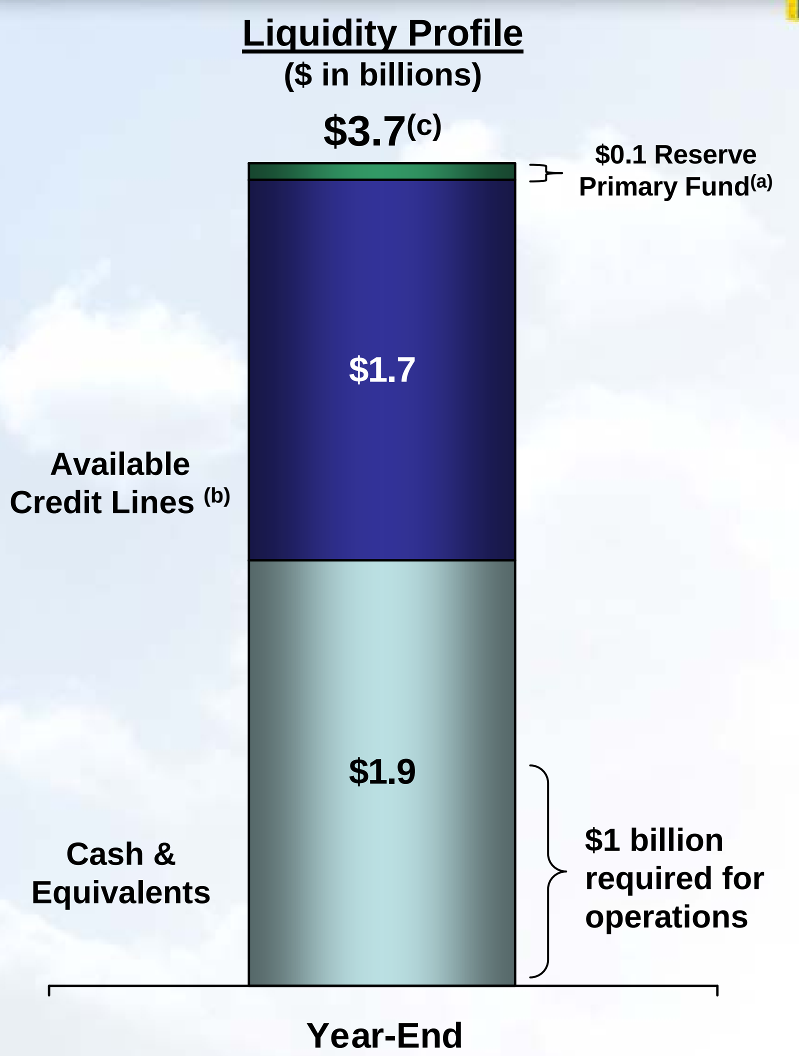
2008 Cash Flow

($ in millions)

	Twelve Months Ended	
	December 31, 2008	December 31, 2007
Income (Loss) from Continuing Operations	($77)	$139
Depreciation and amortization[(a)]	686	659
Working capital[(b)]	(119)	(205)
Pension contributions and direct payments	(364)	(719)
VEBA funding	(1,007)	-
Other	136	218
Operating Cash Flows from Continuing Operations[(c)]	($745)	$92
Memo:		
Capital Expenditures	($1,049)	($739)

a) Includes amortization and write-off of debt issuance costs.
b) Working capital represents accounts receivable and inventories, less accounts payable – trade.
c) Cash flows from operations reconciliation on page 38.

Year-End 2008 Liquidity Profile



(a) Represents investment in the reserve primary fund classified as other current assets.
(b) Includes approximately $535 million of financing related to relocation and expansion of manufacturing facility in Dalian, China.
(c) Total liquidity comprised of $1,894 million cash and cash equivalents, $1,677 million of unused availability under various credit agreements and $71 million outstanding at The Reserve.

Legacy Costs and Interest Expense

($ in millions)

	2005	2006	2007	2008	2009E
Global pension contributions and direct payments[a]	$522	$708	$719	$364	$350 - $400
Pension expense (global)[b]	$358	$388	$276	$181	$375 - $425
Postretirement benefit payments	$259	$254	$266	$216[c]	< $70
Postretirement benefit expense[b]	$220	$205	$126	$78[c]	< $10
Interest Expense	$408	$447	$450	$320	$315 - $335

(a) 2009E reflects contributions to global pension plans.
(b) Excluding one-time charges.
(c) Reflects settlement of liability related to VEBA funding. Benefit payments do not include $1 billion contribution to VEBA.

Fourth Quarter Significant Items Impacting Continuing Operations
(after tax and minority interest)

2008

- Net Rationalization Charges, $38 million (16 cents per share)
- Accelerated depreciation, $11 million (5 cents per share)
- Loss on liquidation of a Jamaican subsidiary, $16 million (7 cents per share)
- Valuation allowance related to an investment, $5 million (2 cents per share)
- Expenses related to hurricanes in North America, $2 million (1 cent per share)
- Gain on asset sales, $13 million (5 cents per share)
- Various discrete net tax benefits, $9 million (4 cents per share)
- Gains on settlements with certain suppliers, $7 million (3 cents per share)

2007

- Net Rationalization Charges, $20 million (8 cents per share)
- Accelerated depreciation, $6 million (2 cents per share)
- Net loss on T&WA and Washington, UK asset sales, $19 million (8 cents per share)
- Financing fees related to debt conversion, $17 million (7 cents per share)
- Reduced tax expense due to a tax law change, $11 million (4 cents per share)

Reconciliation for Segment Operating Income / Margin

($ in millions)	Fourth Quarter		Year Ended December 31,	
	2008	**2007**	**2008**	**2007**
Total Segment Operating Income	($159)	$312	$ 804	$ 1,230
Rationalizations	(50)	(25)	(183)	(49)
Interest expense	(82)	(99)	(320)	(450)
Other income and (expense)	(83)	(18)	(61)	(8)
Accelerated depreciation	(11)	(6)	(28)	(37)
Corporate incentive and stock based compensation plans	12	(13)	2	(77)
Intercompany profit elimination	29	2	23	(11)
Curtailments/Settlements	2		(9)	(64)
Retained net expenses of discontinued operations		(3)	-	(17)
Other	(7)	(25)	(45)	(53)
Income from continuing operations before income taxes and minority interest	($349)	$125	$ 183	$ 464
United States and foreign taxes	8	(46)	(209)	(255)
Minority Interest	11	(18)	(54)	(70)
Income (Loss) from continuing operations	($330)	$61	$ (80)	$ 139
Discontinued operations	-	(9)	-	463
Net Income (Loss)	($330)	$52	$ (80)	$ 602
Net Income (Loss) from continuing operations	($330)	$61	$ (80)	$ 139
Sales	$4,135	$5,160	$ 19,488	$ 19,644
Return on Sales	-8.0%	1.2%	-0.4%	0.7%
Total Segment Operating Margin	-3.8%	6.0%	4.1%	6.3%

Reconciliation for Net Debt

($ in millions)

	December 31, 2008	September 30, 2008	December 31, 2007
Long term debt and capital leases	$ 4,132	$ 5,035	$ 4,329
Notes payable and overdrafts	265	276	225
Long term debt and capital leases due within one year	582	80	171
Total debt	$ 4,979	$ 5,391	$ 4,725
Less: Cash and cash equivalents	1,894	1,606	3,463
Net debt	$ 3,085	$ 3,785	$ 1,262
Change in Net Debt vs December 31, 2007	$ 1,823		

Reconciliation for Cash Flow

($ in millions)	Year Ended December 31, 2008	Year Ended December 31, 2007
Cash Flows From Operating Activities:		
Net Income (Loss)	$ (77)	$ 602
Less: Discontinued operations	-	463
Income from Continuing Operations	**$ (77)**	**$ 139**
Adjustments to reconcile income from continuing operations to cash flows from operating activities:		
Depreciation and amortization	660	614
Amortization and write-off of debt issuance costs	26	45
Net rationalization charges	184	49
Net (gains) on asset sales	(53)	(15)
Minority interest and equity earnings	47	64
VEBA funding	(1,007)	-
Pension contributions and direct payments	(364)	(719)
Rationalization payments	(84)	(75)
Customer prepayments and government grants	105	9
Insurance recoveries	16	7
Changes in operating assets and liabilities net of asset acquisitions and dispositions:		
Accounts receivable	294	(104)
Inventories	(700)	(395)
Accounts payable - trade	287	294
US and foreign taxes	(38)	(36)
Other long term liabilities	(28)	(26)
Compensation and benefits	(31)	292
Other current liabilities	(28)	(76)
Prepaid and other current assets	(58)	29
Deferred taxes and noncurrent income taxes	32	23
Other assets and liabilities	72	(27)
Total Operating Cash Flows From Continuing Operations	$ (745)	$ 92
Discontinued operations	-	13
Total Cash Flows From Operating Activities	**$ (745)**	**$ 105**


GOODYEAR
GET THERE
N2A
GOODYEAR
Get there™