GOODYEAR TIRE & RUBBER CO /OH/
Form S-4/A
November 16, 2005

As filed with the Securities and Exchange Commission on November 16, 2005

Registration No. 333-128941

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

The Goodyear Tire & Rubber Company
(Exact Name of Registrant as Specified in Its Charter)

Ohio	**3011**	**34-0253240**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Subsidiary Guarantors Listed on Schedule A Hereto
(Exact Name of Registrants as Specified in Their Charter)

1144 East Market Street
Akron, Ohio 44316-0001
(330) 796-2121
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant s Principal Executive Offices)
C. Thomas Harvie, Esq.
Senior Vice President, General Counsel
and Secretary
The Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316-0001
(330) 796-2121
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies to:
Leonard Chazen, Esq.
Covington & Burling
1330 Avenue of the Americas
New York, NY 10019
(212) 841-1000

Approximate date of commencement of proposed sales to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.

SCHEDULE A
SUBSIDIARY GUARANTORS

Registrant	State of Incorporation or Organization	I.R.S. Employer Identification Number	Address of Registrant s Principal Executive Offices	Primary Standard Industrial Classification Code Number	Address of Agent for Service
Belt Concepts of America, Inc.	Delaware	56-1947316	605 North Pine Street Spring Hope, North Carolina 27882 (919) 478-4601	3060	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Celeron Corporation	Delaware	51-0269149	1144 East Market Street Akron, Ohio 44316 (330) 796-2121	9995	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Cosmoflex, Inc.	Delaware	34-1130989	4142 Industrial Avenue Hannibal, Missouri 63401 (573) 221-0242	3080	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800

Dapper Tire Co., Inc.	California	95-2012142	4025 Lockridge Street San Diego, California 92102 (714) 375-6146	5013	Corporation Service Company Lawyers Incorporating Service 2730 Gateway Oaks Drive Suite 100 Sacramento, California 95833 (800) 927-9800
Divested Companies Holding Company	Delaware	51-0304855	2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800	9995	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Divested Litchfield Park Properties, Inc.	Arizona	51-0304856	2338 W. Royal Palm Road Suite J Phoenix, Arizona 85021 (800) 927-9800	9995	Corporation Service Company 2338 W. Royal Palm Road Suite J Phoenix, Arizona 85021 (800) 927-9800
Goodyear Farms, Inc.	Arizona	86-0056985	2338 W. Royal Palm Road Suite J Phoenix, Arizona 85021 (800) 927-9800	3523	Corporation Service Company 2338 W. Royal Palm Road Suite J Phoenix, Arizona 85021 (800) 927-9800
Goodyear International Corporation	Delaware	34-0253255	1144 East Market Street Akron, Ohio 44316-0001	5013	Corporation Service Company 2711

			(330) 796-2121		Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Goodyear Western Hemisphere Corporation	Delaware	34-0736571	2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800	5013	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
The Kelly-Springfield Tire Corporation	Delaware	31-1515120	1144 East Market Street Akron, Ohio 44316-0001 (330)796-2121	9995	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Wheel Assemblies Inc.	Delaware	34-1879550	2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800	9995	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Wingfoot Commercial Tire Systems, LLC	Delaware	31-1735402	1144 East Market Street Akron, Ohio 44316-0001 (330) 796-2121	5531	Corporation Service Company 2711 Centerville Road Suite 400

					Wilmington, Delaware 19808 (800) 927-9800
Wingfoot Ventures Eight Inc.	Delaware	51-0319223	1105 North Market Street Suite 1300 Wilmington, Delaware 19899 (302) 651-8410	9995	Corporation Service Company 2711 Centerville Road Suite 400 Wilmington, Delaware 19808 (800) 927-9800
Goodyear Canada Inc.	Ontario	Not applicable	450 Kipling Avenue Toronto Ontario M8Z 5F1 Canada (416) 201-4300	3060	Secretary 450 Kipling Avenue Toronto Ontario M8Z 5F1 Canada (416) 201-4300

PROSPECTUS

THE GOODYEAR TIRE & RUBBER COMPANY
OFFER TO EXCHANGE
$450,000,000 11% Senior Secured Notes due 2011 that have been registered under the Securities Act of 1933 for any and all outstanding unregistered 11% Senior Secured Notes due 2011
$200,000,000 Senior Secured Floating Rate Notes due 2011 that have been registered under the Securities Act of 1933 for any and all outstanding unregistered Senior Secured Floating Rate Notes due 2011

We are offering to exchange $650,000,000 in aggregate principal amount of our notes, comprised of $450,000,000 of 11% Senior Secured Notes due 2011 and $200,000,000 of Senior Secured Floating Rate Notes due 2011, which we refer to collectively as the exchange notes, for any and all outstanding unregistered notes, comprised of 11% Senior Secured Notes due 2011 and Senior Secured Floating Rate Notes due 2011, respectively, which we refer to collectively as the original notes. We refer collectively to the exchange notes and the original notes that remain outstanding following the exchange offer as the notes. The terms of the exchange notes will be identical in all material respects to the respective terms of the original notes of the corresponding series except that the exchange notes will be registered under the Securities Act of 1933, as amended (the Securities Act), and, therefore, the transfer restrictions applicable to the original notes will not be applicable to the exchange notes.

Our offer to exchange original notes for exchange notes will be open until 5:00 p.m., New York City time, on December 21, 2005, unless we extend the offer.

We will exchange all outstanding original notes that are validly tendered and not validly withdrawn prior to the expiration date of the exchange offer. You should carefully review the procedures for tendering the original notes beginning on page 108 of this prospectus.

If you fail to tender your original notes, you will continue to hold unregistered securities and your ability to transfer them could be adversely affected.

The exchange of original notes for exchange notes pursuant to the exchange offer generally will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

No public market currently exists for the outstanding notes or the exchange notes. We do not intend to list the exchange notes on any national securities exchange or the Nasdaq Stock Market.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal to be used in connection with the exchange offer states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, if requested by one or more broker-dealers, to make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale for a period ending on the earlier of (i) 180 days after the completion of the exchange offer and (ii) the date on which such broker-dealer has sold all of its exchange notes. See Plan of Distribution.

Investing in the exchange notes involves risks. See Risk Factors beginning on page 13 of this prospectus.

We are not asking you for a proxy and you are requested not to send us a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

THE DATE OF THIS PROSPECTUS IS NOVEMBER 16, 2005.

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We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained in this prospectus as if we had authorized it. You must not rely upon any information or representation not contained in this prospectus as if we had authorized it. This prospectus does not constitute an offer to sell or solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

FORWARD-LOOKING INFORMATION SAFE HARBOR STATEMENT

Certain information set forth herein (other than historical data and information) may constitute forward-looking statements regarding events and trends that may affect our future operating results and financial position. The words estimate, expect, intend and project, as well as other words or expressions of similar meaning, are intended to ident forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus. Such statements are based on current expectations and assumptions, are inherently uncertain, are subject to risks and should be viewed with caution. Actual results and experience may differ materially from the forward-looking statements as a result of many factors, including:

we have not yet completed the implementation of our plan to improve our internal controls and, as described in Item 9A Controls and Procedures in our Annual Report on Form 10-K for the year ended December 31, 2004, Item 4 of Part I of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, and Management s Report on Internal Controls Over Financial Reporting which accompanies this prospectus, we have two material weaknesses in our internal controls. If these material weaknesses are not remediated or otherwise mitigated they could result in material misstatements in our financial statements in the future, which would result in additional restatements or impact our ability to timely file our financial statements in the future;

pending litigation relating to our restatement could have a material adverse effect on our financial condition;

an ongoing SEC investigation regarding our accounting restatement could materially adversely affect us;

we experienced significant losses in 2001, 2002 and 2003. Although we recorded net income in 2004 and the first nine months of 2005, we cannot provide assurance that we will be able to achieve or sustain future profitability. Our future profitability is dependent upon, among other things, our ability to continue to successfully implement our turnaround strategy for our North American Tire segment;

we face significant global competition, increasingly from lower cost manufacturers, and our market share could decline;

our secured credit facilities limit the amount of capital expenditures that we may make;

higher raw material and energy costs may materially adversely affect our operating results and financial condition;

continued pricing pressures from vehicle manufacturers may materially adversely affect our business;

our financial position, results of operations and liquidity could be materially adversely affected if we experience a labor strike, work stoppage or other similar difficulty;

our U.S. pension plans are significantly underfunded and our required contributions to those plans are expected to increase. Proposed legislation affecting pension plan funding could result in the need for additional cash payments by us into our U.S. pension plans and increase the insurance premiums we pay to the Pension Benefit Guaranty Corporation;

our long-term ability to meet current obligations and to repay maturing indebtedness, is dependent on our ability to access capital markets in the future and to improve our operating results;

we have a substantial amount of debt, which could restrict our growth, place us at a competitive disadvantage or otherwise materially adversely affect our financial health;

any failure to be in compliance with any material provision or covenant of our secured credit facilities and the indenture governing our senior secured notes could have a material adverse effect on our liquidity and our operations;

our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly;

if healthcare costs continue to escalate, our financial results may be materially adversely affected;

we may incur significant costs in connection with product liability and other tort claims;

our reserves for product liability and other tort claims and our recorded insurance assets are subject to various uncertainties, the outcome of which may result in our actual costs being significantly higher than the amounts recorded;

we may be required to deposit cash collateral to support an appeal bond if we are subject to a significant adverse judgment, which may have a material adverse effect on our liquidity;

we are subject to extensive government regulations that may materially adversely affect our ongoing operating results;

potential changes in foreign laws and regulations could prevent repatriation of future earnings to our parent company in the United States;

our international operations have certain risks that may materially adversely affect our operating results;

we may be impacted by economic and supply disruptions associated with global events including war, acts of terror, civil obstructions and natural disasters;

the terms and conditions of our global alliance with Sumitomo Rubber Industries, Ltd. (SRI) provide for certain exit rights available to SRI in 2009 or thereafter, upon the occurrence of certain events, which could require us to make a substantial payment to acquire SRI s interest in certain of our joint venture alliances (which include much of our operations in Europe);

we have foreign currency translation and transaction risks that may materially adversely affect our operating results;

we may be subject to unexpected production reductions resulting from the continuing impact of Hurricanes Katrina and Rita which could harm our results of operations; and

if we are unable to attract and retain key personnel, our business could be materially adversely affected.

It is not possible to foresee or identify all such factors. We will not revise or update any forward-looking statement or disclose any facts, events or circumstances that occur after the date hereof that may affect the accuracy of any forward-looking statement.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-4 under the Securities Act, to register the notes offered by this prospectus. This prospectus does not contain all of the information included in the registration statement and the exhibits and the schedules to the registration statement. We strongly encourage you to read carefully the registration statement and the exhibits and the schedules to the registration statement.

Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual contract, agreement or other document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

We file and furnish annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any documents we file at the SEC s public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-888-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC s web site at www.sec.gov or through our web site at www.goodyear.com. We have not incorporated by reference into this prospectus the information included on or linked from our website, and you should not consider it to be part of this prospectus.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes industry data and forecasts that we obtained from industry publications and surveys and internal company surveys. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein.

SUMMARY

The following summary contains basic information about this offering. It may not contain all of the information that is important to you and it is qualified in its entirety by the more detailed information included in this prospectus. You should carefully consider the information contained in the entire prospectus, including the information set forth under the heading Risk Factors in this prospectus. In addition, certain statements include forward-looking information that involves risks and uncertainties. See Forward-looking Information Safe Harbor Statement.

In this prospectus, Goodyear, Company, we, us, and our refer to The Goodyear Tire & Rubber Company an subsidiaries on a consolidated basis, except as otherwise indicated.

The Company

We are one of the world s leading manufacturers of tires and rubber products, engaging in operations in most regions of the world. Our 2004 net sales were $18.4 billion and our net income for 2004 was $114.8 million. Together with our U.S. and international subsidiaries and joint ventures, we develop, manufacture, market and distribute tires for most applications. We also manufacture and market several lines of power transmission belts, hoses and other rubber products for the transportation industry and various industrial and chemical markets, as well as synthetic rubber and rubber-related chemicals for various applications. We are one of the world s largest operators of commercial truck service and tire retreading centers. In addition, we operate more than 1,700 tire and auto service center outlets where we offer our products for retail sale and provide automotive repair and other services. We manufacture our products in more than 90 facilities in 28 countries, and we have marketing operations in almost every country around the world. We employ more than 75,000 associates worldwide.

Our Principal Executive Offices

We are an Ohio corporation, organized in 1898. Our principal executive offices are located at 1144 East Market Street, Akron, Ohio 44316-0001. Our telephone number is (330) 796-2121.

Summary Terms of the Exchange Offer

On March 12, 2004, we completed an offering of $650,000,000 in aggregate principal amount of original notes, comprised of $450,000,000 of 11% Senior Secured Notes due 2011 and $200,000,000 of Senior Secured Floating Rate Notes due 2011. That offering was exempt from the registration requirements of the Securities Act. In connection with that offering, we entered into a registration rights agreement with the initial purchasers of the original notes in which we agreed, among other things, to deliver this prospectus to you and to use our commercially reasonable efforts to complete the exchange offer.

Exchange Offer

We are offering to exchange up to $650,000,000 in aggregate principal amount of our notes, comprised of $450,000,000 of 11% Senior Secured Notes due 2011 and $200,000,000 of Senior Secured Floating Rate Notes due 2011, which have been registered under the Securities Act, for any and all of our outstanding 11% Senior Secured Notes due 2011 and Senior Secured Floating Rate Notes due 2011 to satisfy our obligations under the registration rights agreement that we entered into when the original notes were sold.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on December 21, 2005, unless extended.

Withdrawal; Non-Acceptance

You may withdraw any original notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on December 21, 2005. If we decide for any reason not to accept any original notes tendered for exchange, the original notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of original notes tendered by book-entry transfer into the exchange agent s account at The Depository Trust Company, any withdrawn or unaccepted original notes will be credited to the tendering holder s account at The Depository Trust Company.

For further information regarding the withdrawal of tendered original notes, see The Exchange Offer Terms of the Exchange Offer; Expiration Date; Extension; Termination; Amendment and Withdrawal Rights.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption The Exchange Offer Conditions to the Exchange Offer for more information regarding the conditions to the exchange offer.

Exchange Agent

Wells Fargo Bank, N.A. is serving as exchange agent in connection with the exchange offer.

Procedures for Tendering Original Notes

If you wish to participate in the exchange offer, you must either:

complete, sign and date an original or faxed letter of transmittal in accordance with the instructions in the letter of transmittal accompanying this prospectus; or

arrange for The Depository Trust Company to transmit required information to the exchange agent in connection with a book-entry transfer.

Then you must mail, fax or deliver all required documentation to Wells Fargo Bank, N.A., which is acting as the exchange agent for the exchange offer. The exchange agent s address appears on the letter of transmittal. By tendering your original notes in either of these manners, you will represent to and agree with us that:

you are acquiring the exchange notes in the ordinary course of your business;

you are not engaged in, and you do not intend to engage in, the distribution (within the meaning of the federal securities laws) of the exchange notes in violation of the provisions of the Securities Act;

you have no arrangement or understanding with anyone to participate in a distribution of the exchange notes; and

you are not an affiliate, within the meaning of Rule 405 under the Securities Act, of the Company.

See The Exchange Offer Procedures for Tendering Original Notes and The Depository Trust Company Book-Entry Transfer.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Special Procedures for Beneficial Owners

If you are a beneficial owner of original notes that are held by or registered in the name of a broker, dealer, commercial bank, trust company or other nominee or custodian and you wish to tender your original notes, you should contact your intermediary entity promptly and instruct it to tender the exchange notes on your behalf.

Guaranteed Delivery Procedures

If you desire to tender original notes in the exchange offer and:

the original notes are not immediately available;

time will not permit delivery of the original notes and all required documents to the exchange agent on or prior to the expiration date; or

the procedures for book-entry transfer cannot be completed on a timely basis;

you may nevertheless tender the original notes, provided that you comply with all of the guaranteed delivery procedures set forth in The Exchange Offer Guaranteed Delivery Procedures.

Resales of Exchange Notes

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that you can resell and transfer your exchange notes without compliance with the registration and prospectus delivery requirements of the Securities

	Act, if you can make the representations that appear above under the heading Procedures for Tendering Original Notes. We cannot guarantee that the SEC would make a similar decision about the exchange offer. If our belief is wrong, or if you cannot truthfully make the representations appearing above, and you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from such requirements, you may incur liability under the Securities Act. We are not indemnifying you against this liability.
Accrued Interest on the Exchange Notes and the Original Notes	The exchange notes will bear interest from the most recent date to which interest has been paid on the corresponding series of original notes. If your original notes are accepted for exchange, then you will receive interest on the exchange notes and not on the original notes.
Certain United States Federal Tax Considerations	The exchange of original notes for exchange notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See the discussion below under the caption Certain United States Federal Tax Considerations.
Consequences of Failure to Exchange Original Notes	All untendered original notes will remain subject to the restrictions on transfer provided for in the original notes and in the indentures. Generally, the original notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities and may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the original notes under the Securities Act. All untendered original notes will remain outstanding and continue to accrue interest in accordance with the terms of the original notes but will not retain any rights under the registration rights agreement. Because we anticipate that most holders of the original notes will elect to exchange their original notes, we expect that the liquidity of the markets, if any, for any original notes remaining after the completion of the exchange offer will be substantially limited.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes in the exchange offer. We will pay all registration and other expenses incidental to the exchange offer.

Summary Terms of the Exchange Notes

The following summary contains basic information about the exchange notes and is not intended to be complete. For a more complete understanding of the exchange notes, please refer to the section entitled Description of the Exchange Notes in this prospectus.

Issuer	The Goodyear Tire & Rubber Company
Securities	$450 million aggregate principal amount of 11% Senior Secured Notes due 2011 (the fixed rate exchange notes). $200 million aggregate principal amount of Senior Secured Floating Rate Notes due 2011 (the floating rate exchange notes and, together with the fixed rate exchange notes, the exchange notes).
Principal and Maturity	*Fixed rate exchange notes* The fixed rate exchange notes will mature on March 1, 2011. *Floating rate exchange notes* The floating rate exchange notes will mature on March 1, 2011.
Interest	*Fixed rate exchange notes* 11% per annum. Interest will be payable semiannually on each March 1 and September 1. *Floating rate exchange notes* Six-month LIBOR plus 8.0%, reset semiannually. Interest will be payable semiannually on each March 1 and September 1.
Optional Redemption	*Fixed rate exchange notes* Goodyear may redeem some or all of the fixed rate exchange notes beginning on March 1, 2008 at the fixed rate redemption prices listed under Description of the Exchange Notes Optional Redemption. Prior to March 1, 2008, Goodyear may, at its option, redeem some or all of the fixed rate exchange notes at a redemption price equal to the principal amount of the fixed rate exchange notes plus the Applicable Premium and accrued and unpaid interest to the redemption date. The Applicable Premium is defined under Description of the Exchange Notes Optional Redemption. At any time before March 1, 2007, Goodyear may redeem up to 35% of the aggregate principal amount of the fixed rate exchange notes with the net proceeds of certain equity offerings. *Floating rate exchange notes* Goodyear may redeem some or all of the floating rate exchange notes beginning on March 1, 2008 at the redemption prices listed under Description of the Exchange Notes Optional Redemption. At any time before March 1, 2007, Goodyear may redeem up to 35% of the aggregate principal amount of the floating rate exchange notes with the net

	proceeds of certain equity offerings.
Guarantees	The notes will be guaranteed, jointly and severally, on a senior secured basis, by each of the Company s U.S. and Canadian subsidiaries that is a guarantor under the Company s secured credit

facilities and, to the extent that they also guarantee any debt of Goodyear or a guarantor, by each of Goodyear s other restricted subsidiaries.

If the notes are assigned an investment grade rating by Moody s and S&P and no default or event of default has occurred or is continuing, Goodyear may elect to suspend the guarantees. If either rating on the notes should subsequently decline to below investment grade, the guarantees will be reinstated.

Collateral

Goodyear s obligations under the notes and the guarantors obligations under the guarantees will be secured by liens on the collateral that rank immediately junior in priority to the liens securing the Company s first lien revolving credit facility and second lien term loan facility and any other indebtedness designated by Goodyear from time to time (and in accordance with the indenture governing the notes) to be priority lien indebtedness, subject to certain exceptions. The fixed rate exchange notes and the floating rate exchange notes will be secured by the collateral on an equal and ratable basis. The collateral will initially consist of:

100% of the capital stock of, or other equity interests in, certain of the Company s existing and future U.S. subsidiaries owned directly by the Company and certain of the guarantors, the capital stock of, or other equity interests in, certain of the Company s existing and future foreign subsidiaries owned directly by the Company and certain of the guarantors, not to exceed 65% of the outstanding capital stock or equity interests in any such foreign subsidiary, and indebtedness held by the Company and certain of the guarantors, in each case, only to the extent that the aggregate principal amount, par value, book value as carried by the Company or market value (whichever is greatest), of any securities of any such subsidiary is not greater than 19.99% of the aggregate principal amount of notes outstanding,

certain U.S. equipment (including blimps) and U.S. and Canadian intellectual property of the Company and certain of the guarantors,

the Company s corporate headquarters,

certain of Goodyear s and certain guarantors U.S. and Canadian accounts receivable, inventory, cash and cash accounts, and

any proceeds of any of the preceding.

The liens securing the notes and the guarantees are subject to release in certain circumstances. For example, if the notes are assigned an investment grade rating by Moody s and S&P and no default or event of default has occurred or is continuing, Goodyear may elect to release any or all of the collateral securing the notes and the guarantees. If either rating on the notes should subsequently decline to below investment grade, the liens will be reinstated.

	The lenders under Goodyear s first and second lien credit facilities and the holders of certain interest rate protection and other hedging obligations and certain cash management obligations benefit from, and all other indebtedness that Goodyear incurs in the future and designates in accordance with the indenture governing the notes as priority lien indebtedness will benefit from, liens on the collateral which will have priority over the liens on the collateral securing the notes, to which Goodyear refers as priority liens. The liens securing the notes will also rank pari passu in priority with the liens that secure the Company s third lien term loan facility. See Description of the Exchange Notes Security and Risk factors Risks relating to the notes You may not be able to fully realize the value of your liens Your interest in the collateral may be adversely affected by the failure to record and/or perfect security interests in certain collateral. Additionally, liens against certain of the collateral not perfected pursuant to the restructured credit facilities will not be perfected with respect to the notes.
	Any release of all priority liens upon any collateral approved by holders of the obligations secured by priority liens shall also release the liens securing the notes on the same collateral (subject to certain limited exceptions); provided, that after giving effect to the release, at least $200.0 million of obligations secured by the priority liens on the remaining collateral remain outstanding or committed and available to be drawn. The holders of obligations secured by the priority liens will receive all proceeds from any realization on the collateral until the obligations secured by the priority liens are paid in full in cash and the commitments with respect thereto are terminated. See Description of the Exchange Notes Security Intercreditor agreement.
Intercreditor Agreement	Pursuant to the intercreditor agreement, the liens securing the notes will be expressly junior in priority to all liens that secure (1) obligations under the Company s first and second lien credit facilities, (2) any future indebtedness permitted to be incurred under the indenture governing the notes that the Company designates in accordance with the terms of such indenture as priority lien indebtedness and (3) certain obligations under interest rate protection and other hedging agreements and certain cash management obligations. The intercreditor agreement will also provide that the liens securing the notes will rank pari passu in priority with the liens that secure the Company s third lien term loan facility. Pursuant to the intercreditor agreement, the liens securing the notes may not be enforced at any time when obligations secured by priority liens are outstanding, except for certain limited exceptions.
Sharing of Liens	In addition to the additional indebtedness that may be secured by the priority liens on the collateral, certain existing and future indebtedness permitted to be incurred under the indenture governing the notes may be secured by liens upon any or all of the collateral securing the notes, on an equal and ratable basis with the liens securing the notes, which we refer to as pari passu liens on the collateral.

Ranking

The fixed rate exchange notes and the floating rate exchange notes will rank:

equally in right of payment with each other;

equally in right of payment to all of the Company s existing and future senior debt, including debt under the Company s U.S. secured credit facilities and European credit facility;

senior in right of payment to all of the Company s future subordinated indebtedness;

effectively junior to (i) the Company s obligations under the Company s first and second lien credit facilities and any other existing and future obligations secured by a priority lien on the collateral securing the notes to the extent of the value of such collateral and (ii) the Company s obligations under the Company s secured credit facilities and any other existing and future obligations that are secured by a lien on assets that are not part of the collateral securing the notes, to the extent of the value of such assets;

effectively equal and ratable with the Company s third lien term loan facility and any other existing and future obligations that are secured by a lien on the collateral ranking pari passu with the lien securing the notes, to the extent of the value of the collateral; and

structurally subordinated to all liabilities, including trade payables, of the Company s subsidiaries that are not guarantors of the notes, which non-guarantor subsidiaries, for the nine months ended September 30, 2005, had net sales of $12.8 billion. This information does not include eliminations for intercompany transactions. For a presentation of the financial information pursuant to Rule 3-10 of Regulation S-X for our subsidiaries guaranteeing the notes and our non-guarantor subsidiaries, see Note to the Financial Statements No. 24, Consolidating Financial Information and Note to the Interim Consolidated Financial Statements No. 9, Consolidating Financial Information, included herein.

Similarly, the guarantees will rank:

equally in right of payment to all of the applicable guarantor s existing and future senior debt, including obligations of the applicable guarantor under the Company s secured credit facilities;

senior in right of payment to all of the applicable guarantor s future subordinated debt; and

effectively junior to (i) the applicable guarantor s obligations under the Company s first and second lien credit facilities and any other existing and future obligations to the extent secured by a priority lien on the collateral securing the notes to the extent of the value of such collateral and (ii) the applicable guarantor s obligations under the Company s secured credit facilities and any other existing and future obligations that are secured by a

lien on assets that are not part of the collateral securing the notes, to the extent of the value of such assets.

As of September 30, 2005,

the Company had $5.5 billion of senior debt (including the notes) of which $1.2 billion principal amount has been secured by priority liens on all of the collateral and $300 million outstanding amounts (other than the notes) have been secured by pari passu liens on the collateral; and

the Company s subsidiaries that are not guarantors of the notes had $5,235 million of liabilities, including trade payables, excluding liabilities owed to us. For a presentation of the financial information pursuant to Rule 3-10 of Regulation S-X for our subsidiaries guaranteeing the notes and our non-guarantor subsidiaries, see Note to the Financial Statements No. 24, Consolidating Financial Information and Note to the Interim Consolidated Financial Statements No. 9, Consolidating Financial Information, included herein.

Subject to certain conditions, the indenture relating to the notes will permit the Company to incur additional debt, including a substantial amount of debt that may be secured by priority and pari passu liens on the collateral.

Change of Control

Upon the occurrence of a change of control, unless the Company has previously exercised its right to redeem all of the notes as described above, you will have the right to require the Company to repurchase all or a portion of your notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued interest to the date of repurchase. See Description of the Exchange Notes Change of Control and Risk factors.

Certain Covenants

The Company will issue the notes under the indenture, dated March 12, 2004, with Wells Fargo Bank, N.A., as the trustee. The indenture governing the notes contains covenants that limit the Company s ability and the ability of certain of its subsidiaries to, among other things:

incur additional indebtedness or issue redeemable preferred stock;

pay dividends, make distributions in respect of the Company s capital stock, or make certain other restricted payments or investments;

incur liens;

sell assets;

incur restrictions on the ability of the Company s subsidiaries to pay dividends or to make other payments to the Company;

enter into transactions with the Company s affiliates;

enter into sale/leaseback transactions; and consolidate, merge, sell or otherwise dispose of all or substantially all of the Company s assets.

	These covenants are subject to a number of important exceptions and qualifications. For example, if the notes are assigned an investment grade rating by Moody s and S&P and no default has occurred or is continuing, certain covenants will be suspended. If either rating on the notes should subsequently decline to below investment grade, the suspended covenants will be reinstated. The Company intends to seek a rating of the notes. For more detail, see Description of the Exchange Notes Certain covenants.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes in the exchange offer. We will pay all registration and other expenses incidental to the exchange offer.

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RISK FACTORS

You should carefully consider the risks described below and other information contained in this prospectus before making an investment decision. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. Any of the events discussed in the risk factors below may occur. If they do, our business, results of operations or financial condition could be materially adversely affected. In such an instance, the trading price of our securities could decline, and you might lose all or part of your investment.

Risks Relating to Goodyear s Business

Our internal controls over financial reporting are not effective.

We announced restatements of our financial statements in each of the past two years. These restatements resulted in part from deficiencies in our internal controls over financial reporting, which have not been fully remedied.

In its report on internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, management concluded that as of December 31, 2004, we did not maintain effective internal controls over financial reporting, based on criteria established in the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. This conclusion was based on the existence of material weaknesses in account reconciliations and segregation of duties. As stated in our Form 10-Q for the quarter ended September 30, 2005, these material weaknesses continued to exist as of September 30, 2005. In addition to these material weaknesses, we had several other internal control deficiencies at December 31, 2004.

We are currently implementing programs and procedures designed to further upgrade our controls and procedures, but these programs and procedures are not yet fully implemented. If we are unsuccessful in our effort to permanently and effectively remedy the weaknesses in our internal controls, we may not be able to report accurately or timely our financial condition, our results of operations and cash flows. If we are unable to report financial information accurately, we could be subject to, among other things, fines, additional securities litigation and a general loss of investor confidence, any one of which could adversely affect us. For more information, see Item 9A Controls and Procedures in our Annual Report on Form 10-K for the year ended December 31, 2004, Item 4 of Part I of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, and Management s Report on Internal Control Over Financial Reporting which accompanies this prospectus.

Pending litigation relating to our restatement could have a material adverse effect on our financial position, cash flows and results of operation.

Since our announcement on October 22, 2003 of the restatement of our previously issued financial results for the years ended 1998 through 2002 and for the first and second quarters of 2003, at least 36 lawsuits have been filed against us and certain of our current or former officers or directors. These actions have been consolidated into three separate actions in the United States District Court for the Northern District of Ohio. We intend to vigorously defend these lawsuits. However, we cannot currently predict or determine the outcome or resolution of these proceedings or the timing for their resolution, or reasonably estimate the amount, or potential range, of possible loss, if any. In addition to any damages that we may suffer, our management s efforts and attention may be diverted from our ordinary business operations in order to address these claims. The final resolution of these lawsuits could have a material adverse effect on our financial position, cash flows and results of operation.

An ongoing SEC investigation regarding our accounting restatement could materially adversely affect us.

Following our announcement on October 22, 2003 of the restatement of our previously issued financial results, the SEC advised us that it had initiated an informal inquiry into the facts and circumstances related to the restatement. On February 5, 2004, the SEC advised us that it had approved the issuance of a formal order of investigation. On August 16, 2005, we announced that we had received a Wells Notice from the SEC indicating that the staff of the SEC intends to recommend that a civil or administrative enforcement action be brought against us for alleged violations of the Securities Exchange Act of 1934, relating to the maintenance of books, records and internal accounting controls, the establishment of disclosure controls and procedures, and periodic SEC filing requirements. The alleged violations relate to the account reconciliation matters giving rise to our initial decision to restate in October 2003. We have also been informed that Wells Notices have been issued to a former chief financial officer and a former chief accounting officer of ours. We continue to cooperate with the SEC regarding this matter. We are unable to predict the outcome of this process, and an unfavorable outcome could harm our reputation and our business.

It is uncertain whether we will successfully implement the turnaround strategy for our North American Tire segment.

We are in the process of implementing a turnaround strategy for our North American Tire segment. Based in part on successes in implementing this strategy, North American Tire had positive segment operating income in 2004, after suffering operating losses in the previous two years. Additional progress in implementing the turnaround strategy is needed, however, to enable the North American Tire business segment to continue to achieve and maintain profitability.

The ability of the North American Tire segment to achieve and maintain profitability may be hampered by trends that continue to negatively affect our North American Tire business, including industry overcapacity, which limits pricing power, increased competition from low-cost manufacturers and unsettled economic conditions in the United States. In addition, our North American Tire segment has been, and may continue to be negatively affected by higher than expected raw materials and energy prices, as well as the continuing burden of legacy pension and post-retirement benefit costs.

We cannot assure that our turnaround strategy will be successful. If our turnaround strategy is not successful, we will not be able to achieve or sustain future profitability, which would impair our ability to meet our debt and other obligations and would otherwise negatively affect our financial condition and operations.

We face significant global competition and our market share could decline.

New tires are sold under highly competitive conditions throughout the world. We compete with other tire manufacturers on the basis of product design, performance, price, reputation, warranty terms, customer service and consumer convenience. On a worldwide basis, we have two major competitors, Bridgestone/ Firestone (based in Japan) and Michelin (based in France), that dominate the markets of the countries in which they are based and are aggressively seeking to maintain or improve their respective shares of the North American, European, Latin American and other world tire markets. Other significant competitors include Continental, Cooper Tire, Pirelli, Toyo, Yokohama, Kumho, Hankook and various regional tire manufacturers. Our principal competitors produce significant numbers of tires in low-cost markets. We are limited by our master contract with the United Steelworkers (USW) in our ability to shift certain production of new products to low-cost markets and our credit agreements limit the amount of capital expenditures we may make. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as reduction of excess capacity, leveraging global purchasing, improving productivity, elimination of redundancies and increasing production at low-cost supply sources. If we are unable to compete successfully, our market share may decline, materially adversely affecting our results of operations and financial condition.

Our U.S. pension plans are significantly underfunded and our required contributions to these plans are expected to increase.

The unfunded amount of the aggregate projected benefit obligation for our pension plans was $3.12 billion at December 31, 2004, compared to $2.75 billion at December 31, 2003. The underfunding in our U.S. pension plans represents the vast majority of these amounts. Our funding obligations under our U.S. plans are governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA). In 2004, we met or exceeded our required funding obligations for these plans under ERISA. Estimates of the

amount and timing of our future funding obligations are based on various assumptions. These include assumptions concerning, among other things, the actual and projected market performance of the pension plan assets; interest rates on long-term obligations; statutory requirements; and demographic data for pension plan participants. The amount and timing of our future funding obligations also depend on whether we elect to make contributions to the pension plans in excess of those required under ERISA; such voluntary contributions could reduce or defer our funding obligations.

Although subject to change, we expect to make contributions to our domestic pension plans of approximately $410 million in 2005. At the end of 2005, certain interest rate relief measures relating to the calculation of pension funding obligations will expire. If the current measures are extended, we estimate that in 2006 we will be required to contribute approximately $550 million to $600 million to our domestic pension plans. If the current measures are not extended or replaced, we estimate that in 2006 we would be required to contribute approximately $700 million to $750 million to our domestic pension plans. For more information on the calculation of our estimated domestic pension plan contributions, see Management s Discussion and Analysis of Financial Condition and Results of Operations Commitments and Contingencies. The anticipated funding obligations under our pension plans for 2007 and thereafter cannot be reasonably estimated at this time because these estimates vary materially depending on the assumptions used to determine them. Nevertheless, we presently expect that our funding obligations under our pension plans in 2007 and subsequent years will be substantial and could have a material adverse impact on our liquidity.

Recently introduced pension reform legislation would replace the interest rate used to calculate pension funding obligations, require more rapid funding of underfunded plans, restrict the use of techniques that reduce funding volatility, limit pension increases in underfunded plans, and raise the insurance premiums charged by the Pension Benefit Guaranty Corporation. It is not possible to predict whether Congress will adopt pension reform legislation, or what form any legislation might take. If legislation similar to the pending bills were enacted, it could materially increase our pension funding obligations and insurance premiums, and could limit our ability to negotiate pension increases for our union-represented employees.

Higher raw material and energy costs may materially adversely affect our operating results and financial condition.

Raw material costs increased significantly in 2004 and have continued to increase in 2005, driven by increases in costs of oil and natural rubber. Market conditions may prevent us from passing these increased costs on to our customers through timely price increases. Additionally, higher raw material costs around the world may continue to hinder our ability to fully realize our turnaround strategy. As a result, higher raw material and energy costs may result in declining margins and operating results.

Continued pricing pressures from vehicle manufacturers may materially adversely affect our business.

Approximately 29% of the tires we sell are sold to vehicle manufacturers for mounting as original equipment. Pricing pressure from vehicle manufacturers has been a characteristic of the tire industry in recent years. Many vehicle manufacturers have policies of seeking price reductions each year. Although we have taken steps to reduce costs and resist price reductions, current and future price reductions could materially adversely impact our sales and profit margins. If we are unable to offset continued price reductions through improved operating efficiencies and reduced expenditures, those price reductions may result in declining margins and operating results.

If we fail to extend or renegotiate our primary collective bargaining contracts with our labor unions as they expire from time to time, or if our unionized employees were to engage in a strike or other work stoppage, our business and operating results could be materially harmed.

We are a party to collective bargaining contracts with our labor unions, which represent a significant number of our employees. In particular, our master collective bargaining agreement with the USW covers approximately 13,700 employees in the United States at December 31, 2004 and expires in July 2006. Although we believe that our relations with our employees are satisfactory, no assurance can be given that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate our collective bargaining agreements, if disputes with our unions arise, or if our unionized workers engage in a strike or other work stoppage, we could incur higher ongoing labor costs or experience a significant disruption of operations, which could have a material adverse effect on our business.

Our long-term ability to meet our obligations and to repay maturing indebtedness is dependent on our ability to access capital markets in the future and to improve our operating results.

The adequacy of our liquidity depends on our ability to achieve an appropriate combination of operating improvements, financing from third parties, access to capital markets and asset sales. Although we completed a major refinancing of our senior secured credit facilities on April 8, 2005, issued $400 million in Senior unsecured notes in June 2005, and repaid our 6.375% Euro Notes due 2005 upon maturity on June 6, 2005, we may undertake additional financing actions in the capital markets in order to ensure that our future liquidity requirements are addressed. These actions may include the issuance of additional equity.

Because of our debt ratings, our operating performance over the past few years and other factors, access to the capital markets cannot be assured. Our ongoing ability to access the capital markets is also dependent on the degree of success we have implementing our North American Tire turnaround strategy. See It is uncertain whether we will successfully implement the turnaround strategy for our North American Tire segment. Future liquidity requirements also may make it necessary for us to incur additional debt. However, a substantial portion of our assets is already subject to liens securing our indebtedness. As a result, we are limited in our ability to pledge our remaining assets as security for additional secured indebtedness. Our failure to access the capital markets or incur additional debt in the future could have a material adverse effect on our liquidity and operations, and could require us to consider further measures, including deferring planned capital expenditures, reducing discretionary spending, selling additional assets and restructuring existing debt.

We have a substantial amount of debt, which could restrict our growth, place us at a competitive disadvantage or otherwise materially adversely affect our financial health.

We have a substantial amount of debt. As of September 30, 2005, our debt (including capital leases) on a consolidated basis was approximately $5.5 billion. Our substantial amount of debt and other obligations could have an important consequence to you. For example, it could:

- make it more difficult for us to satisfy our obligations;
- impair our ability to obtain financing in the future for working capital, capital expenditures, research and development, acquisitions or general corporate requirements;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to payments on our indebtedness;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

The agreements governing our debt, including our credit agreements, limit, but do not prohibit, us from incurring additional debt and we may incur a significant amount of additional debt in the future, including additional secured debt. If new debt is added to our current debt levels, our ability to satisfy our debt obligations may become more limited.

Our ability to make scheduled payments on, or to refinance, our debt and other obligations will depend on our financial and operating performance, which, in turn, is subject to our ability to implement our turnaround strategy, prevailing economic conditions and certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt service and other obligations, including required pension contributions, we may be forced to reduce or delay expansion plans and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. We cannot assure you that our operating performance, cash flow and capital resources will be sufficient to pay our debt obligations when they become due. We cannot assure you that we would be able to dispose of material assets or operations or restructure our debt or other obligations if necessary or, even if we were able to take such actions, that we could do so on terms that were acceptable to us.

Any failure to be in compliance with any material provision or covenant of our debt instruments could have a material adverse effect on our liquidity and operations.

The indentures and other agreements governing our secured credit facilities and secured notes and our other outstanding indebtedness impose significant operating and financial restrictions on us. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. These restrictions limit our ability to, among other things:

- incur additional indebtedness and issue preferred stock;
- pay dividends and other distributions with respect to our capital stock or repurchase our capital stock or make other restricted payments;
- enter into transactions with affiliates;
- create or incur liens to secure debt;
- make certain investments;
- enter into sale/leaseback transactions;
- sell or otherwise transfer or dispose of assets;
- incur dividend or other payment restrictions affecting certain subsidiaries;
- use proceeds from the sale of certain assets; and
- engage in certain mergers or consolidations and transfers of substantially all assets.

Our ability to comply with these covenants may be affected by events beyond our control, and unanticipated events could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. We cannot assure you that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us.

Our first lien credit facility and European term loan and revolving credit facility require us to maintain certain specified thresholds of Consolidated EBITDA to consolidated interest expense (as defined in each of the facilities). In addition, under these facilities, we are required not to permit our ratio of consolidated net secured indebtedness (net of cash in excess of $400 million) to Consolidated EBITDA to be greater than certain specified thresholds. These restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict capital activities.

A breach of any of the covenants or restrictions contained in any of our existing or future financing agreements, including the financial covenants in our secured credit facilities, could result in an event of default under those agreements. Such a default could allow the lenders under our financing agreements, if the agreements so provide, to discontinue lending, to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies, and/or to declare all borrowings outstanding thereunder to be due and payable. In addition, the lenders could terminate any commitments they have to provide us with further funds. If any of these events occur, we cannot assure you that we will have sufficient funds available to pay in full the total amount of obligations that become due as a result of any such acceleration, or that we will be able to find additional or alternative financing to refinance any such accelerated obligations. Even if we obtain additional or alternative financing, we cannot assure you that it would be on terms that would be acceptable to us. Finally, we have agreed with the USW that if we do not remain in compliance with our prevailing principal bank financial covenants, we will seek a substantial private equity investment. Any such investor or investors could exercise influence over the management of our business and may have interests that conflict with the interests of our other investors.

We cannot assure you that we will be able to remain in compliance with the covenants to which we are subject in the future and, if we fail to do so, that we will be able to obtain waivers from our lenders or amend the covenants.

Our capital expenditures may not be adequate to maintain our competitive position.

Our capital expenditures are limited by our liquidity and capital resources and restrictions in our credit agreements. The amount Goodyear has available for capital spending is limited by the need to pay its other expenses and to maintain adequate cash reserves and borrowing capacity to meet unexpected demands that may arise. In addition, our credit facilities limit the amount of capital expenditures that we may make to $700 million in each year through 2010. The amounts of permitted capital expenditures may be increased with the proceeds of equity issuances. In addition, unused capital expenditures may be carried over into the next year. During the first nine months of 2005, capital expenditures totaled approximately $370 million. Capital expenditures are expected to approximate $650 million in 2005. We believe that our ratio of capital expenditures to sales is lower than the comparable ratio for our principal competitors.

Productivity improvements through process re-engineering, design efficiency and manufacturing cost improvements may be required to offset potential increases in labor and raw material costs and competitive price pressures. In addition, as part of our strategy to increase the percentage of tires sold in higher cost markets that are produced at our lower-cost production facilities, we may need to modernize or expand certain of those facilities. If we are unable to make sufficient capital expenditures, or to maximize the efficiency of the capital expenditures we do make, we may be unable to achieve productivity improvements, which may harm our competitive position.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Certain of our borrowings, primarily borrowings under our credit facilities, are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, which would require us to use more of our available cash to service our indebtedness. There can be no assurance that we will be able to enter into swap agreements or other hedging arrangements in the future, or that existing or future hedging arrangements will offset increases in interest rates.

We may incur significant costs in connection with asbestos claims.

We are among many defendants named in legal proceedings involving claims of individuals relating to alleged exposure to asbestos. At September 30, 2005, approximately 125,800 claims were pending against us alleging various asbestos-related personal injuries purported to have resulted from alleged exposure to asbestos in certain rubber encapsulated products or aircraft braking systems manufactured by us in the past or to asbestos in certain of our facilities. We expect that additional claims will be brought against us in the future. Our ultimate liability with respect to such pending and unasserted claims is subject to various uncertainties, including the following:

- the number of claims that are brought in the future;
- the costs of defending and settling these claims;
- the risk of insolvencies among our insurance carriers;
- the possibility that adverse jury verdicts could require us to pay damages in amounts greater than the amounts for which we have historically settled claims;
- the risk of changes in the litigation environment or federal and state law governing the compensation of asbestos claimants;

the risk that the bankruptcies of other asbestos defendants may increase our costs; and

the risk that our insurance will not cover all of our asbestos liabilities.

Because of the uncertainties related to such claims, it is reasonably possible that we may incur a material amount in excess of our current reserve for such claims. In addition, if any of the foregoing risks were to materialize, the resulting costs could have a material adverse impact on our liquidity, financial position and results of operations in future periods.

We may be required to deposit cash collateral to support an appeal bond if we are subject to a significant adverse judgment, which may have a material adverse effect on our liquidity.

We are subject to various legal proceedings. If we wish to appeal any future adverse judgment in any of these proceedings, we may be required to post an appeal bond with the relevant court. We would likely be required to issue a letter of credit to the surety posting the bond. We may issue up to an aggregate of $700 million in letters of credit under our $1.5 billion U.S. first lien credit facility. As of September 30, 2005, we had $498 million in letters of credit issued under this facility. If we are subject to a significant adverse judgment and do not have sufficient availability under our credit facilities to issue a letter of credit to support an appeal bond, we may be required to pay down borrowings under the facilities or deposit cash collateral in order to stay the enforcement of the judgment pending an appeal. A significant deposit of cash collateral may have a material adverse effect on our liquidity. If we are unable to post cash collateral, we may be unable to stay enforcement of the judgment.

We are subject to extensive government regulations that may materially adversely affect our ongoing operating results.

We are subject to regulation by the Department of Transportation and by the National Highway Traffic Safety Administration, or NHTSA, which have established various standards and regulations applicable to tires sold in the United States for highway use. NHTSA has the authority to order the recall of automotive products, including tires, having safety defects related to motor vehicle safety. NHTSA s regulatory authority was expanded in November 2000 as a result of the enactment of The Transportation Recall Enhancement, Accountability, and Documentation Act, or TREAD Act. The TREAD Act imposes numerous requirements with respect to the early warning reporting of property damage, injury and fatality claims and tire recalls and also requires tire manufacturers, among other things, to conform with revised and more rigorous tire standards, once the revised standards are implemented. Compliance with the TREAD Act regulations will increase the cost of producing and distributing tires in the United States. In addition, while we believe that our tires are free from design and manufacturing defects, it is possible that a recall of our tires, under the TREAD Act or otherwise, could occur in the future. A substantial recall could have a material adverse effect on our reputation, operating results and financial position. Compliance with these and other federal, state and local laws and regulations in the future may require a material increase in our capital expenditures and could materially adversely affect the Company s earnings and competitive position.

Our international operations have certain risks that may materially adversely affect our operating results.

Goodyear has manufacturing and distribution facilities located in North America, Europe, Latin America, Africa and Asia. International operations are subject to certain inherent risks, including:

exposure to local economic conditions;

potential adverse changes in the diplomatic relations of foreign countries with the United States;

hostility from local populations and insurrections;

adverse currency exchange controls;

restrictions on the withdrawal of foreign investment and earnings;

withholding taxes and restrictions on the withdrawal of foreign investment and earnings;

labor regulations;

expropriations of property;

the potential instability of foreign governments;

risks of renegotiation or modification of existing agreements with governmental authorities;

export and import restrictions; and

other changes in laws or government policies.

The likelihood of such occurrences and their potential effect on Goodyear vary from country to country and are unpredictable.

We have foreign currency translation and transaction risks that may materially adversely affect our operating results.

The financial condition and results of operations of certain of our operating entities are reported in various foreign currencies and then translated into U.S. dollars at the applicable exchange rate for inclusion in our financial statements. As a result, the appreciation of the U.S. dollar against these foreign currencies has a negative impact on our reported sales and operating margin (and conversely, the depreciation of the U.S. dollar against these foreign currencies has a positive impact). For the fiscal year ended December 31, 2004, we estimate that foreign currency translation favorably impacted sales by approximately $542 million compared to the prior year. For the nine months ended September 30, 2005, foreign currency translation favorably impacted sales by approximately $283 million compared to the corresponding period in 2004. The volatility of currency exchange rates may materially adversely affect our operating results.

The terms and conditions of our global alliance with Sumitomo Rubber Industries, Ltd. (SRI) provide for certain exit rights available to SRI upon the occurrence of certain events, which could require us to make a substantial payment to acquire SRI s interest in certain of their joint venture alliances.

In 1999, we entered into a global alliance with SRI. Under the global alliance agreements, we acquired 75%, and SRI owned 25%, of Goodyear Dunlop Tires Europe B.V., which concurrently with the transaction acquired substantially all of SRI s tire businesses in Europe and most of Goodyear s tire businesses in Europe. We also acquired 75%, and SRI acquired 25%, of Goodyear Dunlop Tires North America, Ltd., a holding company that purchased SRI s tire manufacturing operations in North America and certain of its primarily OE-related tire sales and distribution operations. In addition, we also acquired 25% of the capital stock of two newly-formed tire companies in Japan, as well as 51% of the capital stock of a newly-formed technology company and 80% of the capital stock of a newly-formed global purchasing company. SRI owns the balance of the capital stock in each of these companies. Under the Umbrella Agreement between us and SRI, SRI has the right to require us to purchase from SRI its ownership interests in the European and North American joint ventures in September 2009 if certain triggering events have occurred. In addition, the occurrence of certain other events enumerated in the Umbrella Agreement, including certain bankruptcy events or changes in control of Goodyear, could provide SRI with the right to require us to repurchase these interests immediately. While we have not done any current valuation of these businesses, our cost of acquiring an interest in these businesses in 1999 was approximately $1.2 billion. Any payment required to be made to SRI pursuant to an exit under the terms of the global alliance agreements could be substantial. We cannot assure you that our operating performance, cash flow and capital resources would be sufficient to make such a payment or, if we were able to make the payment, that there would be sufficient funds remaining to satisfy our other obligations. The withdrawal of SRI from the global alliance could also have other adverse effects on our business.

If we are unable to attract and retain key personnel our business could be materially adversely affected.

Our business substantially depends on the continued service of key members of our management. The loss of the services of a significant number of members of our management could have a material adverse effect on our business. Our future success will also depend on our ability to attract and retain highly skilled personnel, such as engineering, project management and senior management professionals. Competition for these employees is intense, and we could experience difficulty from time to time in hiring and retaining the personnel necessary to support our business. If we do not succeed in retaining our current employees and attracting new high quality employees, our business could be materially adversely affected.

We may be subject to unexpected production reductions resulting from the continuing impact of Hurricanes Katrina and Rita which could harm our results of operations.

In the third quarter of 2005 we were subject to disruptions in the supply of certain raw materials resulting from the impact of Hurricanes Katrina and Rita. The hurricanes adversely impacted our results of operation in the third quarter by approximately $10 million. We currently anticipate fourth quarter charges of approximately $20 million in connection with the hurricanes, primarily related to reductions in production in October at our chemical plants and certain North American Tire facilities.

Although the raw material shortages caused by the hurricanes initially caused us to reduce North American Tire production by approximately 30%, by mid-October tire production returned to pre-hurricane levels. However, the continuing impact of the hurricanes, particularly on the stability of the power grid and transportation systems in the Texas Gulf Coast, may subject us to future supply shortages of key raw materials in the fourth quarter. If we face such shortages and are unable to adjust our production capabilities or secure alternative sources of raw materials we could again experience intermittent production reductions at certain of our North American Tire facilities. If such production reductions were of significant duration, the amount of such charges could have a material adverse affect on our results of operations.

Risks Relating to the Exchange Notes

The collateral securing the notes is subject to priority liens held by others. If there is a default, such collateral may not be sufficient to repay those creditors and the holders of the notes.

The collateral securing the notes also secures other of Goodyear s indebtedness on a senior basis, including the Company s first and second lien credit facilities. As a result, the notes will be effectively junior to all of that indebtedness, to the extent of the value of the collateral securing those credit facilities. In addition, under the terms of the indenture governing the notes, Goodyear will be permitted in the future to incur substantial additional debt that may be secured by priority liens on the same collateral securing the notes. The Company will also be permitted to incur substantial additional debt that is secured by the collateral on an equal and ratable basis with the notes in certain circumstances, including indebtedness under the Company s third lien term loan facility.

The lenders under Goodyear s first and second lien credit facilities and other priority lien debt will be entitled to receive proceeds from any realization of the collateral securing those facilities to repay outstanding indebtedness under those facilities in full in cash before the holders of the notes and other obligations secured by junior liens will be entitled to any recovery from such collateral.

Goodyear cannot assure you that the proceeds from the sale of the collateral would be sufficient to satisfy in full all obligations secured by priority liens on such collateral or any portion of the amounts outstanding under the notes. If such proceeds are not sufficient to repay in full the obligations secured by the priority liens or any amounts outstanding under the notes, holders of the notes would only have an unsecured claim on the Company s remaining assets in respect of the unsatisfied amount, which claim will rank equally in priority to the unsecured claim with respect to any unsatisfied portion of the obligations secured by the priority liens and the Company s other unsecured senior indebtedness.

The ability of Goodyear to designate future debt as priority lien or junior lien debt and, in either event, to enable the holders thereof to share in the collateral on either a priority basis or a pari passu basis with the notes may have the effect of diluting the ratio of the aggregate amount of the obligations secured by the collateral to the value of such collateral.

The collateral may not be valuable enough to satisfy all the obligations secured by the collateral and as a result, you may not be able to fully realize the value of your liens.

The value of the collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the collateral have been prepared by or on behalf of Goodyear in connection with this offering of notes. Accordingly, Goodyear cannot assure you that the proceeds of any sale of the collateral following an acceleration of maturity with respect to the notes or under the Company s credit agreements would be sufficient to satisfy, or would not be substantially less than, amounts due on the notes, the credit agreements and other indebtedness secured thereby.

If the proceeds of any sale of the collateral were not sufficient to repay all amounts due on the notes, noteholders would have only an unsecured claim against the Company s remaining assets. Some or all of the collateral may be illiquid and may have no readily ascertainable market value. Likewise, Goodyear cannot assure you that the collateral will be saleable or, if saleable, that there will not be substantial delay in its liquidation. To the extent that liens, rights and easements granted to third parties encumber assets located on property owned by Goodyear or constitute junior liens on the collateral, those third parties have or may exercise rights and remedies with respect to the property subject to such encumbrances (including rights to require marshalling of assets) that could adversely affect the value of that collateral and the ability of the collateral trustee to realize or foreclose on that collateral.

The indenture governing the notes permits the Company to issue additional secured debt, including debt secured equally and ratably by the same assets pledged to you. This would reduce amounts payable to you from the proceeds of any sale of collateral. In addition, the indenture governing the notes will permit the Company to incur liens on assets to secure other indebtedness that will not secure the notes, including assets of the Company s foreign subsidiaries.

Bankruptcy laws may limit your ability to realize value from the collateral.

The right of the collateral trustee to repossess and dispose of the collateral upon the occurrence of an event of default under the credit agreements or the indenture governing the notes is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy case were to be commenced by or against Goodyear before the collateral trustee repossessed and disposed of the collateral. Upon the commencement of a case for relief under Title 11 of the United States Code, a secured creditor such as the collateral trustee is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, the bankruptcy code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection.

The meaning of the term adequate protection may vary according to circumstances, but it is intended in general to protect the value of the secured creditor s interest in the collateral and may include cash payments or the granting of additional security if and at such times as the court in its discretion determines that the value of the secured creditor s interest in the collateral is declining during the pendency of the bankruptcy case. A bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its collateral if the value of the collateral exceeds the debt it secures.

In view of the lack of a precise definition of the term adequate protection and the broad discretionary power of a bankruptcy court, it is impossible to predict:

how long payments under the notes could be delayed following commencement of a bankruptcy case;

whether or when the collateral trustee could repossess or dispose of the collateral;

the value of the collateral at the time of the bankruptcy petition; or

whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of adequate protection.

In addition, the indenture requires that, in the event of a bankruptcy, the collateral trustee not object to a number of important matters following the filing of a bankruptcy petition. After such a filing, the value of your collateral could materially deteriorate and you would be unable to raise an objection.

In addition, in the event a bankruptcy proceeding is commenced by or against Goodyear and the Company enters into certain debtor-in-possession financings in any such proceeding, the indenture governing the notes and the intercreditor agreement governing the relationship between the holders of these notes and the holders of the Company s other debt will provide that liens on the collateral securing the notes and the subsidiary guarantees may, without any further action or consents, be made junior and subordinated to liens granted to secure such debtor-in-possession financing and certain other liens, including priority liens or liens granted as adequate protection to secure priority liens, subject only to the granting and approval by the applicable bankruptcy court of adequate protection, including the accrual but not the payment of post-petition interest, for the holders of the notes. See Description of the Exchange Notes Security Intercreditor agreement.

Your interest in the collateral may be adversely affected by the failure to record and/or perfect security interests in certain collateral.

The security interest in the collateral securing the notes includes personal property of Goodyear, and certain of the Company s U.S. and Canadian subsidiaries, a pledge of certain stock and other equity interests of certain of the Company s subsidiaries, intercompany notes and the proceeds of the foregoing, whether now owned or acquired or arising in the future, and the Company s corporate headquarters. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. Although the indenture will contain further assurances covenants, the trustee will not monitor the future acquisition of property and rights that constitute collateral, or take any action to perfect the security interest in such acquired collateral.

Although Goodyear has pledged equity interests in certain of the Company s foreign subsidiaries as part of the collateral, Goodyear will not in all cases perfect those security interests under the law of the relevant foreign jurisdiction. Additionally, liens against certain of the collateral not perfected pursuant to the Company s secured credit facilities will not be perfected with respect to the notes. As a result, Goodyear cannot assure you that the collateral trustee would be able to realize or foreclose on those or other equity interests that have not been perfected.

State law may limit the ability of the trustee and the noteholders to foreclose on real property and improvements included in the collateral.

The notes are secured by a junior lien on certain real property and improvements located in Ohio. The laws of Ohio may limit the ability of the trustee and the noteholders to foreclose on the real property collateral located in Ohio. Under the law of Ohio, there are limitations imposed with respect to debt, such as the notes, that is secured by real property. These limitations may include procedural requirements for foreclosure that generally require a greater period of time than the requirements for foreclosure of personal property, rights of the debtor to reinstate defaulted debt (even if it has been accelerated) before the foreclosure date by paying the past due amounts, statutorily required minimum bids at foreclosure sales, and a statutory right of redemption after foreclosure.

The ability of the noteholders to exercise remedies against the stock of certain of the Company s foreign subsidiaries pledged as collateral may be limited by the laws of the jurisdictions of organization of these foreign subsidiaries.

Under the local law of certain jurisdictions governing the foreign pledge agreements, a sale of the pledged stock of the Company s foreign subsidiaries requires the consent of various governmental agencies or courts. In addition, the minority stockholder in the Company s Malaysian subsidiary has a preemption right that may prohibit a transfer of the shares of that subsidiary owned by Goodyear. In the event that the trustee seeks to exercise remedies against the collateral, there can be no assurance that it will be able to liquidate the pledged stock of these subsidiaries or that the noteholders will obtain any value for such shares.

The collateral is subject to casualty risks.

Goodyear is obligated under the credit agreements to maintain adequate insurance to the same extent as companies of established reputation engaged in the same or similar businesses in the same or similar localities insure themselves, except to the extent any such failure would not have a material adverse effect on Goodyear or the Company s lenders rights or benefits. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, the Company cannot assure you that the insurance proceeds will compensate Goodyear fully for the Company s losses. If there is a total or partial loss of any of the pledged collateral, Goodyear cannot assure you that any insurance proceeds received by the Company will be sufficient to satisfy all the secured obligations, including the notes.

The intercreditor agreement and the lien-ranking provisions set forth in the indenture limit the rights of the holders of the notes with respect to the collateral securing the notes.

The rights of the holders of the notes with respect to the collateral securing the notes will be substantially limited pursuant to the terms of the lien-ranking provisions set forth in the indenture and intercreditor agreement. Under those lien-ranking provisions, at any time that obligations that have the benefit of the priority liens are outstanding, any actions that may be taken in respect of the collateral, including the ability to cause the commencement of enforcement proceedings against the collateral and to control the conduct of such proceedings, and releases of collateral from the lien of the collateral documents, will be at the direction of holders of the obligations secured by priority liens, and the trustee, on behalf of the holders of the notes, will not have the ability to control or direct such actions, even if the rights of the holders of the notes are adversely affected. Additional releases of collateral from the liens securing the notes are permitted under a number of circumstances. See Description of the Exchange Notes Security Release of collateral.

A court could cancel the guarantees of the notes by the Company s subsidiaries under fraudulent transfer law.

Certain of Goodyear s U.S. and Canadian subsidiaries will guarantee the notes and certain of the guarantors will grant a security interest in substantially all of their assets to secure their guarantees. Although the guarantees provide you with a direct claim against the assets of the guarantors, under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, in certain circumstances a court could cancel a guarantee and order the return of any payments made thereunder to the subsidiary or to a fund for the benefit of its creditors.

A court might take these actions if it found, among other things, that when the guarantor incurred the debt evidenced by its guarantee (a) it received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and (b) any one of the following conditions was satisfied:

- the guarantor was insolvent or rendered insolvent by reason of the incurrence;

- the guarantor was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or

- the guarantor intended to incur, or believed (or reasonably should have believed) that it would incur, debts beyond its ability to pay as those debts matured.

In applying the above factors, a court would likely find that a guarantor did not receive fair consideration or reasonably equivalent value for its guarantee, except to the extent that it benefited directly or indirectly from the notes issuance. The determination of whether a guarantor was or was rendered insolvent when it entered into its guarantee will vary depending on the law of the jurisdiction being applied. Generally, an entity would be considered insolvent if the sum of its debts (including contingent or unliquidated debts) is greater than all of its assets at a fair valuation or if the present fair salable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts, including contingent or unliquidated debts, as they become absolute and matured.

If a court canceled a guarantor s guarantee, you would no longer have a claim against that guarantor or its assets. Goodyear s assets and the assets of the remaining guarantors may not be sufficient to pay amounts then due under the notes.

The assets of our non-guarantor subsidiaries will be subject to prior claims by creditors of those subsidiaries.

Holders of notes will not have any claim as a creditor against the Company s subsidiaries that are not guarantors of the notes. Therefore, in the event of any bankruptcy, liquidation or reorganization of a non-guarantor subsidiary, the rights of the holders of notes to participate in the assets of such non-guarantor subsidiary will rank behind the claims of that subsidiary s creditors, including trade creditors (except to the extent Goodyear has a claim as a creditor of such subsidiary).

Goodyear s corporate structure may materially adversely affect the Company s ability to meet its debt service obligations under the notes.

A significant portion of Goodyear s consolidated assets is held by the Company s subsidiaries. Goodyear has manufacturing and/or sales operations in most countries in the world, often through subsidiary companies. The Company s cash flow and Goodyear s ability to service the Company s debt, including the notes, depends on the results of operations of these subsidiaries and upon the ability of these subsidiaries to make distributions of cash to Goodyear, whether in the form of dividends, loans or otherwise. In recent years, Goodyear s foreign subsidiaries have been a significant source of cash flow for the Company s business. In certain countries where Goodyear operates, transfers of funds into or out of such countries are generally or periodically subject to various restrictive governmental regulations and there may be adverse tax consequences to such transfers. In addition, Goodyear s debt instruments in certain cases place limitations on the ability of the Company s subsidiaries to make distributions of cash to Goodyear.

While the indenture limits Goodyear s ability to enter into agreements that restrict the Company s ability to receive dividends and other distributions from the Company s subsidiaries, these limitations are subject to a number of significant exceptions, and Goodyear is generally permitted to enter into such instruments in connection with financing the Company s foreign subsidiaries. Furthermore, Goodyear s subsidiaries are separate and distinct legal entities and those that are not subsidiary guarantors of the notes have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose.

Goodyear may not have the ability to raise the funds necessary to finance a change of control offer required by the indenture.

Upon the occurrence of specific change of control events under the indenture, Goodyear will be required to offer to repurchase all of the notes then outstanding at 101% of the principal amount, plus accrued and unpaid interest, to the repurchase date. A change of control may also accelerate Goodyear s obligation to repay amounts outstanding under the Company s credit agreements. It is unlikely that Goodyear would have sufficient assets or be able to obtain sufficient third party financing on favorable terms to satisfy all of the Company s obligations under the notes and these other instruments upon a change of control.

Under the terms of certain of Goodyear s existing credit agreements, a change of control will result in an event of default. Any future credit agreements or other agreements or instruments relating to indebtedness to which Goodyear becomes a party may contain restrictions on the Company s ability to offer to repurchase the notes in connection with a change of control. In the event a change of control occurs at a time when Goodyear is prohibited from offering to purchase the notes, the Company could attempt to obtain the consent of the lenders under those agreements or attempt to refinance the related indebtedness.

Risks Related to the Exchange Offer

If you do not properly tender your original notes for exchange notes, you will continue to hold unregistered notes that are subject to transfer restrictions.

We will only issue exchange notes in exchange for original notes that are timely received by the exchange agent together with all required documents. Therefore, you should allow sufficient time to ensure timely delivery of the original notes and you should carefully follow the instructions on how to tender your original notes set forth under The Exchange Offer Procedures for Tendering Original Notes and in the letter of transmittal that you will receive with this prospectus. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the original notes.

If you do not tender your original notes or if we do not accept your original notes because you did not tender your original notes properly, then you will continue to hold original notes that are subject to the existing transfer restrictions. In addition, if you tender your original notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes. If you continue to hold any original notes after the exchange offer is completed, you may have difficulty selling them because of the restrictions on transfer and because there will be fewer original notes outstanding. In addition, if a large amount of original notes are not tendered or are tendered improperly, the limited amount of exchange notes that would be issued and outstanding after we complete the exchange offer could lower the market price of the exchange notes.

If an active trading market does not develop for the exchange notes, you may be unable to sell the exchange notes or to sell them at a price you deem sufficient.

The exchange notes will be new securities for which there is no established trading market. We do not intend to list the exchange notes on any national securities exchange or Nasdaq. We cannot give you any assurance as to:

- the liquidity of any trading market that may develop;
- the ability of holders to sell their exchange notes; or
- the price at which holders would be able to sell their exchange notes.

Even if a trading market develops, the exchange notes may trade at higher or lower prices than their principal amount or purchase price, depending on many factors, including:

- prevailing interest rates;
- the number of holders of the exchange notes;
- the interest of securities dealers in making a market for the exchange notes;
- the market for similar exchange notes; and
- our operating performance and financial condition.

Moreover, the market for non-investment grade debt has historically been subject to disruptions that have caused volatility in prices. It is possible that the market for the notes will be subject to disruptions. A disruption may have a negative effect on you as a holder of the notes, regardless of our prospects or performance.

Finally, if a large number of holders of original notes do not tender original notes or tender original notes improperly, the limited amount of exchange notes that would be issued and outstanding after we complete the exchange offer could adversely affect the development of a market for the exchange notes.

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USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement by and among us, our subsidiary guarantors and the initial purchasers of the notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. We will receive in exchange outstanding notes in like principal amount. We will retire or cancel all of the outstanding notes tendered in the exchange offer.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the last five years and for the nine months ended September 30, 2005.

Year Ended December 31,					Nine Months Ended September 30,
2004	**2003**	**2002**	**2001**	**2000**	**2005**
1.72	(1)	1.16	(2)	1.36	2.43

(1) Earnings for the year ended December 31, 2003 were inadequate to cover fixed charges. The coverage deficiency was $641.7 million.

(2) Earnings for the year ended December 31, 2001 were inadequate to cover fixed charges. The coverage deficiency was $271.2 million.

For purposes of calculating our ratio of earnings to fixed charges:

Earnings consist of income (loss) before income taxes plus (i) amortization of previously capitalized interest, (ii) minority interest in net income of consolidated subsidiaries with fixed charges, (iii) proportionate share of fixed charges of investees accounted for by the equity method, and (iv) proportionate share of net loss of investees accounted for by the equity method, less (i) capitalized interest, (ii) minority interest in net loss of consolidated subsidiaries, and (iii) undistributed proportionate share of net income of investees accounted for by the equity method.

Fixed charges consist of (i) interest, whether expensed or capitalized, (ii) amortization of debt discount, premium or expense, (iii) the interest portion of rental expense, and (iv) proportionate share of fixed charges of investees accounted for by the equity method.

SELECTED FINANCIAL DATA

	Year Ended December 31,					(Unaudited) Nine Months Ended September 30,	
		Restated					
(In millions, except per share amounts)	2004	2003	2002	2001	2000	2005	2004
Net Sales	$ 18,352.5	$ 15,101.6	$ 13,828.4	$ 14,139.7	$ 14,422.9	$ 14,789	$ 13,521
Net Income (Loss)	$ 114.8	$ (807.4)	$ (1,246.9)	$ (254.7)	$ 50.0	$ 279	$ (10)
Net Income (Loss) Per Share Basic	$ 0.65	$ (4.61)	$ (7.47)	$ (1.59)	$ 0.32	$ 1.59	$ (0.06)
Net Income (Loss) Per Share Diluted	$ 0.63	$ (4.61)	$ (7.47)	$ (1.59)	$ 0.31	$ 1.39	$ (0.06)
Dividends Per Share	$	$	$ 0.48	$ 1.02	$ 1.20	$	$
Total Assets	$ 16,533.3	$ 14,701.1	$ 13,013.1	$ 13,719.7	$ 13,539.6	$ 16,239	$ 15,774
Long Term Debt and Capital Leases Due Within One Year	$ 1,009.9	$ 113.5	$ 369.8	$ 109.7	$ 159.2	$ 252	$ 1,209
Long Term Debt and Capital Leases	$ 4,449.1	$ 4,825.8	$ 2,989.5	$ 3,203.3	$ 2,349.4	$ 4,944	$ 4,210
Shareholders Equity (Deficit)	$ 72.8	$ (32.2)	$ 221.1	$ 2,596.8	$ 3,429.3	$ 296	$ (48)

Notes:

The information contained in the selected financial data has been restated. For further information, refer to the Note to the Financial Statements No. 2, Restatement, included herein.

(1) Information on the impact of the restatement follows:

	Year Ended December 31,	
	2003	2003
(In millions, except per share amounts)	As Previously Reported(B)	As Restated
Net Sales	$ 15,119.0	$ 15,101.6
Net Loss	$ (802.1)	$ (807.4)
Net Loss Per Share Basic	$ (4.58)	$ (4.61)
Net Loss Per Share Diluted	$ (4.58)	$ (4.61)
Dividends Per Share	$	$
Total Assets	15,005.5	14,701.1
Long Term Debt and Capital Leases Due Within One Year	113.5	113.5
Long Term Debt and Capital Leases	4,826.2	4.825.8
Shareholders Equity (Deficit)	(13.1)	(32.2)

(B) As reported in 2003 Form 10-K filed on May 19, 2004.

(In millions, except per share amounts)	Year Ended December 31, 2002 As Originally Reported(A)	2002 As Previously Reported(B)	2002 As Restated
Net Sales	$ 13,850.0	$ 13,856.2	$ 13,828.4
Net Loss	$ (1,105.8)	$ (1,227.0)	$ (1,246.9)
Net Loss Per Share Basic	$ (6.62)	$ (7.35)	$ (7.47)
Net Loss Per Share Diluted	$ (6.62)	$ (7.35)	$ (7.47)
Dividends Per Share	$ 0.48	$ 0.48	$ 0.48
Total Assets	13,146.6	13,038.7	13,013.1
Long Term Debt and Capital Leases Due Within One Year	369.8	369.8	369.8
Long Term Debt and Capital Leases	2,989.0	2,989.8	2,989.5
Shareholders Equity	650.6	255.4	221.1

(In millions, except per share amounts)	Year Ended December 31, 2001 As Previously Reported(A)	2001 As Previously Reported(B)	2001 As Restated
Net Sales	$ 14,147.2	$ 14,162.5	$ 14,139.7
Net Loss	$ (203.6)	$ (254.1)	$ (254.7)
Net Loss Per Share Basic	$ (1.27)	$ (1.59)	$ (1.59)
Net Loss Per Share Diluted	$ (1.27)	$ (1.59)	$ (1.59)
Dividends Per Share	$ 1.02	$ 1.02	$ 1.02
Total Assets	13,783.4	13,768.6	13,719.7
Long Term Debt and Capital Leases due Within One Year	109.7	109.7	109.7
Long Term Debt and Capital Leases	3,203.6	3,203.6	3,203.3
Shareholders Equity	2,864.0	2,627.8	2,596.8

	Year Ended December 31, 2000	2000	2000

(In millions, except per share amounts)	As Originally Reported(A)	As Previously Reported(B)	As Restated
Net Sales	$ 14,417.1	$ 14,459.9	$ 14,422.9
Net Income	$ 40.3	$ 51.3	$ 50.0
Net Income Per Share Basic	$ 0.26	$ 0.33	$ 0.32
Net Income Per Share Diluted	$ 0.25	$ 0.32	$ 0.31
Dividends Per Share	$ 1.20	$ 1.20	$ 1.20
Total Assets	13,568.0	13,576.7	13,539.6
Long Term Debt and Capital Leases due Within One Year	159.2	159.2	159.2
Long Term Debt and Capital Leases	2,349.6	2,349.6	2,349.4
Shareholders Equity	3,503.0	3,454.3	3,429.3

(A) As reported in 2002 Form 10-K filed on April 3, 2003.

(B) As reported in 2003 Form 10-K filed on May 19, 2004.

As discussed in the Note to the Financial Statements No. 2, Restatement, restatement adjustments included in the 2003 Form 10-K were classified as Accounting Irregularities, Account Reconciliations, Out-of-Period, Discount Rate, Chemical Products Segment and Tax Adjustments. Restatement adjustments included in the 2004 Form 10-K were classified as SPT , General and Product Liability , Account Reconciliations and Tax Adjustments .

The increase in net loss in 2003 of $5.3 million was due primarily to tax adjustments. Charges for the write-off of goodwill related to sold assets, adjustments to leased tire assets and changes to the timing of rationalization charges at South Pacific Tyre, or SPT, were substantially offset by the benefit of a change in our estimated liability for general and product liability discontinued products.

For the restatement of 2003, pretax loss was increased by charges of $5.4 million due to the impact of Account Reconciliations and $2.3 million due to SPT. Pretax loss in 2003 was reduced by benefits of $7.3 million due to General and Product Liability. The net loss in 2003 was increased by $4.8 million due to the impact of Tax Adjustments.

Net loss as previously reported in 2002 increased by $121.2 million due primarily to an additional Federal and state deferred tax asset valuation allowance of $121.6 million.

For the restatement of 2002, pretax loss as previously reported was increased by charges of $14.9 million due to the impact of Discount Rate, $6.8 million due to Account Reconciliations and $3.5 million due to Accounting Irregularities. Pretax loss as previously reported was reduced by a benefit of $15.2 million due to the impact of Out-of-Period and $14.2 million due to Chemical Products Segment. Net loss as previously reported was increased by $122.5 million for Tax Adjustments.

Net loss as restated in 2002 increased by $19.9 million due primarily to charges for tax adjustments, an additional Federal and state deferred tax asset valuation allowance and changes to the timing of rationalization charges at SPT.

For the restatement of 2002, pretax loss as restated was increased by charges of $3.5 million due to the impact of SPT and $1.8 million due to Account Reconciliations. The net loss in 2002 was increased by a charge of $7.2 million due to Tax Adjustments.

Net loss as previously reported in 2001 increased by $50.5 million due primarily to the timing of the recognition of manufacturing variances to reflect the actual cost of inventories of the Chemical Products Segment, the erroneous recording of cost of goods sold for the sale of inventory at Wingfoot Commercial Tire Systems, LLC, Accounting Irregularities adjustments and other Account Reconciliation adjustments. On November 1, 2000, Goodyear made a contribution, which included inventory, to Wingfoot Commercial Tire Systems, LLC, a consolidated subsidiary. On a consolidated basis, the inventory was valued at Goodyear s historical cost. Upon the sale of the inventory, consolidated cost of goods sold was understated by $11 million. Additionally, inventory and fixed asset losses totaling $4.2 million were not expensed as incurred and were written off. Chemical Products Segment adjustments were the result of a stand-alone audit conducted in 2003 of a portion of the Chemical Products business segment.

For the restatement of 2001, pretax loss as previously reported was increased by charges of $18.9 million due to the impact of Chemical Products Segment, $14.5 million due to Out-of-Period, $13.2 million due to Accounting Irregularities, $12.8 million due to Account Reconciliations and $5.5 million due to Discount Rate. The tax effect of restatement adjustments reduced the net loss by $17.9 million.

Net loss as restated in 2001 increased by $0.6 million due primarily to charges for changes in the timing of rationalization charges at SPT, an asset impairment charge at SPT, interest expense related to a long term contractual obligation with SPT and a benefit from the reduction in goodwill amortization expense due to impact of changing exchange rates.

For the restatement of 2001, pretax loss as restated was reduced by a benefit of $0.6 million due to the impact of SPT, but was increased by charges of $1.7 million due to Account Reconciliations.

Net income as previously reported in 2000 increased by $11.0 due primarily to Chemical Products Segment adjustments and the Account Reconciliation adjustments, primarily Interplant and Wingfoot Commercial Tire Systems, LLC.

For the restatement of 2000, pretax income as previously reported was reduced by charges of $21.7 million due to the impact of Account Reconciliations. Pretax income increased by benefits of $19.1 million due to the impact of Chemical Products Segment, $14.5 million due to Discount Rate, $5.8 million due to Out-of-Period and $0.6 million due to Accounting Irregularities. The tax effect of restatement adjustments was an expense of $7.3 million.

Net income as restated in 2000 decreased by $1.3 million due primarily to a charge to recognize certain payments we made pursuant to a long term supply agreement with SPT as a capital contribution, 50% of which was attributed to our joint venture partner pursuant to the provisions of Emerging Issues Task Force Issue 00-12, Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee , and benefits from the tax effect of the SPT capital contribution charge, a reduction in goodwill amortization expense due to impact of changing exchange rates and corrections to intercompany accounts at a subsidiary in Europe.

For the restatement of 2000, pretax income as restated was reduced by $7.5 million due to SPT and increased $0.3 million due to Account Reconciliations.

(2) Refer to Principles of Consolidation in the Note to the Financial Statements No. 1, Accounting Policies, included herein.

(3) Net sales in 2004 increased $1.2 billion resulting from the consolidation of two businesses in accordance with FIN 46. Net Income in 2004 included net after-tax charges of $133.3 million, or $0.70 per share-diluted, for rationalizations and related accelerated depreciation, general and product liability-discontinued products, insurance fire loss deductibles and asset sales. Net income in 2004 also included net after-tax benefits of $236.0 million, or $1.23 per share-diluted, from an environmental insurance settlement, net favorable tax adjustments and a favorable lawsuit settlement.

(4) Net Loss in 2003 included net after-tax charges of $515.1 million (as restated), or $2.93 per share-diluted (as restated), for rationalizations, general and product liability-discontinued products, accelerated depreciation and asset write-offs, net favorable tax adjustments, an unfavorable settlement of a lawsuit against Goodyear in Europe, and rationalization costs at Goodyear s SPT equity affiliate. In addition, Engineered Products recorded account reconciliation adjustments in the restatements totaling $18.9 million or $0.11 per share in 2003.

(5) Net Loss in 2002 included net after-tax charges of $22.0 million (as restated), or $0.13 per share-diluted (as restated), for general and product liability discontinued products, asset sales, rationalizations, write-off of a miscellaneous investment and a net rationalization reversal at Goodyear s SPT equity affiliate. Net loss in 2002 also included a non-cash charge of $1.22 billion (as restated), or $6.95 per share-diluted (as restated), to establish a valuation allowance against net federal and state deferred tax assets.

(6) Net Loss in 2001 included net after-tax charges of $187.4 million (as restated), or $1.18 per share-diluted (as restated), for rationalizations, asset sales, general and product liability discontinued products, rationalization costs at Goodyear s SPT equity affiliate and costs related to a tire replacement program.

(7) Net Income in 2000 included net after-tax charges of $71.9 million (as restated), or $0.45 per share-diluted (as restated), for rationalizations, a change in Goodyear s domestic inventory costing method from LIFO to FIFO, rationalization costs at Goodyear s SPT equity affiliate, general and product liability discontinued products and asset sales.

Management s Discussion and Analysis of Financial Condition and Results of Operations

(All per share amounts are diluted)

Overview

The Goodyear Tire & Rubber Company is one of the world s leading manufacturers of tires and rubber products with one of the most recognizable brand names in the world. We have a broad global footprint with 101 manufacturing facilities in 28 countries. We operate our business through six operating segments: North American Tire; European Union Tire; Latin American Tire; Eastern Europe, Middle East and Africa Tire (Eastern Europe Tire); Asia/ Pacific Tire; and Engineered Products.

Effective January 1, 2005, Chemical Products was integrated into North American Tire. The integration did not change how we report net income. Segment information for all periods presented has been restated to reflect the integration. During 2004, $818.6 million, or 53.4%, of Chemical Products sales and 75.2% of its segment operating income resulted from intercompany transactions. Our total segment sales no longer reflect these intercompany sales. In addition, the segment operating income previously attributable to Chemical Products intercompany transactions is no longer included in the total segment operating income that we report.

Nine Months Ended September 30, 2005 and 2004

In the third quarter of 2005 we continued to make progress on our turnaround strategy. For the third quarter ended September 30, 2005, we recorded net income of $142 million compared to net income of $38 million in the comparable period of 2004. Improvements in operating income in all five of the tire segments contributed to the increase in net income. The improvement was driven by our strategy to focus on the higher value replacement market and being more selective in the OE market, strong performance of high performance and premium branded tires, our ability to recover higher raw material costs through pricing actions and the results of our cost reduction programs. To extend and enhance our turnaround strategy, we announced additional cost reduction initiatives we plan to implement over the next several years. The initiatives include reducing our high-cost manufacturing capacity by between 8 percent and 12 percent resulting in anticipated annual savings of between $100 million and $150 million. In connection with the reduction in manufacturing capacity, we anticipate incurring cash restructuring charges of approximately $150 million to $250 million over the next three years.

We continued our transformation to a market-driven, consumer-focused company with the introduction in North America of the Fortera® featuring TripleTred Technology™, a premium SUV tire incorporating the same technology we introduced with the successful launch of our Assurance® line of tires in 2004. In Europe, we introduced two new high performance winter tires, the Goodyear Ultra Grip 7 and Dunlop SP Winter Sport 3D, both of which have received highly favorable consumer reviews.

Set forth below are our expectations for industry volume growth in consumer and commercial tires for 2005 and 2006 in both the OE and replacement segments in North America and the European Union. Also included is the actual growth in these segments through September 30, 2005:

Industry Volume Estimates

		OE		Replacement	
		Consumer	**Commercial**	**Consumer**	**Commercial**
North America	2006	(1)%	5%	2%	2%
	2005	(1)-0%	9-11%	2-2.5%	2.5-3%
	Year-to-date	(2)%	10%	3%	3%
European Union	2006	0-1%	1-2%	0-1%	1%
	2005	(2-3)%	6-7%	(1)-0%	(4-5)%
	Year-to-date	(3)%	11%	0%	(6)%

Given the industry estimates above, we expect slight industry volume improvement in the fourth quarter in the OE consumer segment in North America and a decrease in industry volume in the commercial OE segment in the European Union. Also, in the fourth quarter, industry replacement volumes are expected to be generally consistent with those experienced through the first nine months, although we expect a slight improvement in industry volumes for commercial replacement tires in the European Union.

We also continued to make progress on our capital structure improvement plan in the third quarter with the completion of two asset dispositions. We completed the sale of our Indonesian natural rubber plantations at a sale price of approximately $62 million, subject to post-closing adjustments, and also completed the sale of our Wingtack adhesive resin business in which we received approximately $55 million in cash and retained about $10 million in working capital. We are also awaiting the necessary approvals to complete the sale of assets of our North American farm tire business to Titan International for approximately $100 million. In connection with the transaction, we expect to record a loss of approximately $70 million on the sale, primarily related to pension and retiree medical costs. We also announced that we are exploring the possible sale of our Engineered Products business. While our prior refinancing activities have improved our liquidity position, we continue to review potential divestitures of other non-core assets and other financing options, including the issuance of additional equity.

While our operating results continued to improve through the first nine months, we continue to face several challenges, including rising raw material costs (for the full year 2005 raw material costs are expected to increase approximately 10% compared to 2004 and in 2006 are expected to increase approximately 8% to 10% compared to 2005), a high level of debt and significant legacy costs, including required domestic pension funding obligations in 2006 of as much as $750 million. Although our pension obligations are expected to peak in 2006, we anticipate being subject to significant required pension funding obligations in 2007 and beyond.

On October 3, 2005, we announced that we had implemented temporary reductions in production at our North American Tire facilities due to disruptions in the supply of certain raw materials resulting from the impact of Hurricanes Katrina and Rita. As a result of the supplier shortages, North American Tire production was initially reduced by approximately 30%. However, tire production returned to pre-hurricane levels by mid-October. The continuing impact of the hurricanes may subject us to additional supply shortages of key raw materials that could result in intermittent production reductions at certain of our North American Tire facilities in the fourth quarter. The hurricanes had an adverse impact of approximately $10 million on our results of operations in the third quarter primarily reflecting the unabsorbed fixed costs related to the temporary closures of our chemical plants on the Texas Gulf Coast and production cuts at our North American Tire plants as well as the impairment of certain assets. We anticipate fourth quarter charges of approximately $20 million, primarily related to reductions in production in October at our chemical plants and certain North American Tire facilities. Despite the impact of the hurricanes, we anticipate year-over-year gains in operating performance during the fourth quarter of 2005, however, the rate of those gains is expected to be less than they were in the third quarter of 2005.

We remain subject to a Securities and Exchange Commission investigation into the facts and circumstances surrounding the restatement of our historical financial statements. In connection with this investigation, we received a Wells Notice from the staff of the SEC in August 2005. The Wells Notice is described more fully under the heading Legal Proceedings SEC Investigation. Because the investigation is currently ongoing, the outcome cannot be predicted at this time. Also as described in our Quarterly Report on Form 10-Q for the period ended September 30, 2005, we continue to have two material weaknesses in our internal control over financial reporting. We continue to implement remedial measures to address internal control matters.

Our results of operations, financial position and liquidity could be adversely affected in future periods by loss of market share or lower demand in the replacement market or from the original equipment industry, which would result in lower levels of plant utilization and an increase in unit costs. Also, we could experience higher raw material and energy costs in future periods. These costs, if incurred, may not be recoverable due to pricing pressures present in today s highly competitive market and we may not be able to continue improving our product mix. Our future results of operations are also dependent on our ability to (i) successfully

implement cost reduction programs to address, among other things, higher wage and benefit costs, and (ii) where necessary, reduce excess manufacturing capacity. We are unable to predict future currency fluctuations. Sales and earnings in future periods would be unfavorably impacted if the U.S. dollar strengthens against various foreign currencies, or if economic conditions deteriorate in the United States or Europe. Continued volatile economic conditions or changes in government policies in emerging markets could adversely affect sales and earnings in future periods. We may also be impacted by economic disruptions associated with global events including natural disasters, war, acts of terror and civil obstructions.

Fiscal Years 2004, 2003 and 2002

In 2004, we had net income of $114.8 million, compared to significant net losses for 2003 and 2002 of $807.4 million (as restated) and $1,246.9 million (as restated), respectively. The net loss in 2002 included a non-cash charge of $1.22 billion (as restated) to establish a valuation allowance against our net deferred tax assets. The improvement in 2004 compared to 2003 is due in part to:

- a decrease in net after-tax rationalization charges of $215.1 million,
- an after-tax gain from a settlement with certain insurance companies related to coverage for environmental matters of $156.6 million,
- a decrease in net after-tax charges for accelerated depreciation and asset writeoffs of $122.0 million,
- a decrease in net after-tax charges for general and product liability discontinued products of $85.4 million (as restated), and
- an increase in net favorable tax adjustments of $10.5 million.

Earnings in 2004 also benefited from an increase in segment operating income in each of our operating segments, as set forth below:

	Year Ended December 31,		
		Restated	
	2004	2003	2002
(In millions)			
Segment Operating Income			
North American Tire	$ 73.5	$ (102.5)	$ (21.5)
European Union Tire	252.7	129.8	101.1
Eastern Europe, Middle East and Africa Tire	193.8	146.6	93.2
Latin American Tire	251.2	148.6	107.6
Asia/ Pacific Tire	61.1	49.9	43.7
Engineered Products	113.2	46.8	39.0

Our North American Tire segment accounted for approximately 47% of our consolidated net sales in 2004. In recent years, North American Tire results have been negatively impacted by several factors, including over-capacity which limits pricing leverage, weakness in the replacement tire market, increased competition from low cost manufacturers, a decline in market share and increases in medical and pension costs. In 2004, North American Tire s segment operating income improved to $73.5 million on sales of approximately $8.6 billion. The improvement was due primarily to sustained improvement in pricing and a shift in product mix toward more profitable Goodyear brand tires. Additional improvement was a result of savings from rationalization programs, lower benefit costs and increased sales in the consumer replacement market and commercial markets. In addition, our second largest segment, European

Union Tire, which accounted for approximately 24% of our consolidated net sales in 2004, had its segment operating income improve to $252.7 million on sales of approximately $4.5 billion. Approximately 11% of the increase in segment operating income from 2003 to 2004 was attributable to currency translation, primarily the Euro. The improvement in European Union Tire also reflected improved pricing and product mix.

Although our North American segment s performance improved in 2004, it contributed just 7.8% of our total segment operating income on 46.7% of total segment sales, due primarily to legacy costs for North

American retirees such as pension and other postretirement benefit expenses. In contrast, our Latin American and Eastern Europe Tire segments represented only 13.8% of our total segment sales in 2004, while approximately 47.1% of our total segment operating income came from these segments. As a result, increasing competition and unexpected changes in government policies or currency values in these regions could have a disproportionate impact on our ability to sustain profitability.

Higher raw material costs, particularly for natural rubber, continue to negatively impact our results. Raw material costs in our Cost of Goods Sold (CGS) in 2004 increased by approximately $280 million from 2003.

Our results of operations, financial position and liquidity could be adversely affected in future periods by loss of market share or lower demand in the replacement market or from the original equipment industry, which would result in lower levels of plant utilization that would increase unit costs. Also, we could experience higher raw material and energy costs in future periods. These costs, if incurred, may not be recoverable due to pricing pressures present in today s highly competitive market. Our future results of operations are also dependent on our ability to (i) successfully implement cost reduction programs to address, among other things, higher wage and benefit costs, and (ii) where necessary, reduce excess manufacturing capacity. We are unable to predict future currency fluctuations. Sales and earnings in future periods would be unfavorably impacted if the U.S. dollar strengthens against various foreign currencies, or if economic conditions deteriorate in the United States or Europe. Continued volatile economic conditions or changes in government policies in emerging markets could adversely affect sales and earnings in future periods. We may also be impacted by economic disruptions associated with global events including war, acts of terror and civil obstructions.

Consolidated Results of Operations

Three Months Ended September 30, 2005 and 2004

Net sales in the third quarter of 2005 were $5,030 million, increasing $330 million, or 7.0% from $4,700 million in the 2004 third quarter. Net income of $142 million, or $0.70 per share, was recorded in the 2005 third quarter compared to net income of $38 million, or $0.20 per share, in the third quarter 2004.

Net sales in the third quarter of 2005 in our tire segments were impacted by favorable price and product mix of approximately $182 million, higher volume of approximately $62 million and a positive impact from currency translation of approximately $58 million. Sales also increased approximately $28 million in the Engineered Products Division, mainly due to improvements in price and product mix of approximately $19 million and currency translation of $11 million.

Worldwide tire unit sales in the third quarter of 2005 were 58.4 million units, an increase of 1.0 million units, or 1.8% compared to the 2004 period. This increase was driven by a 0.6 million, or 1.6% unit increase in the consumer replacement market and a 0.6 million unit, or 4.6% increase in the consumer OE market. The increase was offset by lower unit sales of 0.1 million units, or 1.7% in the commercial market and 0.1 million units, or 13% in other tire related businesses.

CGS in the third quarter of 2005 was $4,008 million, an increase of $258 million, or 6.9% compared to the third quarter 2004, while decreasing as a percentage of sales to 79.7% from 79.8% in the 2004 comparable period. CGS for our tire segments in the third quarter of 2005 increased due to higher raw material costs of approximately $141 million and higher volume of approximately $49 million. Also contributing to the CGS increase was foreign currency translation of approximately $20 million and product mix related manufacturing cost increases of approximately $32 million. CGS also increased by $38 million in the Engineered Products Division, primarily related to higher conversion costs of $10 million, increased raw material costs of $7 million and foreign currency translation of $9 million. Partially offsetting these CGS increases was lower conversion costs of approximately $13 million in our tire segments, driven by lower OPEB costs and savings from rationalization programs.

Selling, administrative and general expense (SAG) was $707 million in the third quarter of 2005, compared to $703 million in 2004, an increase of $4 million. The increase was driven primarily by higher wage and benefits expenses, which increased by $11 million in the quarter for our tire segments, foreign currency translation of $6 million and charges of $4 million related to the recent hurricanes. Partially offsetting these increases in SAG were lower product liability expenses of $11 million and cost savings of $3 million from rationalization programs. SAG as a percentage of sales was 14.1% in the third quarter 2005, compared to 14.9% in the third quarter of 2004.

Interest expense increased by $8 million to $103 million in the third quarter of 2005 from $95 million in the third quarter of 2004 primarily as a result of higher average interest rates and interest penalties.

Other (income) and expense was $35 million of income in the 2005 third quarter, an improvement of $73 million, compared to $38 million of expense in the 2004 third quarter. The increase was primarily related to a gain of $25 million on the sale of the Wingtack adhesive resins business in the North American Tire Segment and a gain of $14 million from an insurance settlement with certain insurance companies related to environmental and asbestos coverage. In addition, in the third quarter of 2005, we had $8 million of lower general & product liability expenses. Also in the three months ended September 30, 2004, there was an additional $12 million of higher financing fee expenses due to higher deferred fee levels and shorter amortization periods compared to the comparable period in 2005.

For the third quarter of 2005, we recorded tax expense of $71 million on income before income taxes and minority interest in net income of subsidiaries of $238 million. Included in this amount was a net tax benefit of $3 million primarily related to the settlement of prior years tax liabilities. For the third quarter of 2004, we recorded tax expense of $29 million on income before income taxes and minority interest in net income of subsidiaries of $85 million. Included in this amount was a net tax benefit of $44 million primarily related to the settlement of prior years tax liabilities.

Rationalization Activity

2005 rationalization charges consisted of manufacturing and corporate support group associate reductions in North American Tire, manufacturing associate reductions and a sales function reorganization in European Union Tire, and sales, marketing, and research and development associate reductions in Engineered Products.

During the third quarter of 2005, $9 million of new charges were recorded for the plans initiated in 2005 primarily for associate severance costs, including $1 million for non-cash pension special termination benefits. Approximately 265 associates will be released under programs initiated in 2005, of which approximately 175 were released by September 30, 2005.

Accelerated depreciation charges were recorded for fixed assets that will be taken out of service in connection with certain rationalization plans initiated in 2003 and 2004 in the Engineered Products and European Union Tire Segments. During the third quarter of 2005 and 2004, $1 million was recorded for accelerated depreciation charges as Cost of goods sold and $1 million was recorded in 2004 as Selling, administrative and general expense.

Additional restructuring charges of $3 million related to previously announced rationalization plans have not yet been recorded and are expected to be incurred and recorded within the next twelve months. We estimate that SAG and CGS were reduced in the third quarter of 2005 by approximately $9 million as a result of the implementation of the 2004 and 2005 plans.

For further information, refer to the Interim Consolidated Financial Statements included in this prospectus, Note 2, Costs Associated with Rationalization Programs.

Nine Months Ended September 30, 2005 and 2004

Net sales in the first nine months of 2005 were $14,789 million, increasing $1,268 million, or 9.4% from $13,521 million in the comparable period of 2004. Net income for the first nine months of 2005 was $279 million, or $1.39 per share compared to a net loss of $10 million, or a loss of $0.06 per share in the first nine months of 2004.

Net sales in the first nine months of 2005 for our tire segments were impacted by favorable price and product mix of approximately $574 million, foreign currency translation of approximately $283 million, and higher volume of approximately $149 million. Sales also increased approximately $145 million due to improvements in the Engineered Products Division, primarily related to increased volume, improved product mix and foreign currency translation.

Worldwide tire unit sales in the first nine months of 2005 were 170.7 million units, an increase of 2.6 million units, or 1.5% compared to the 2004 period. This volume improvement in the first nine months of 2005 was driven by a 2.4 million, or 2.2% unit increase in the consumer replacement market and a 0.5 million, or 18.0% unit increase in the commercial OE market, partially offset by a 0.2 million, or 7.8% unit decrease in the other tire businesses.

CGS was $11,772 million in the first nine months of 2005, an increase of $956 million, or 8.8% compared to the first nine months of 2004, while decreasing as a percentage of sales to 79.6% compared to 80.0% in the comparable period of 2004. The improvement in our gross margin rate through the first nine months of 2005 (20.4% in 2005 versus 20.0% in 2004) reflects our ability to offset increasing raw material costs through pricing, product mix improvements and cost reduction initiatives. CGS for our tire segments in the first nine months of 2005 increased due to higher raw material costs of approximately $371 million and product mix-related manufacturing cost increases of approximately $144 million. CGS also increased due to foreign currency translation of approximately $164 million and higher volume of approximately $120 million. CGS also increased by $154 million in the Engineered Products Division primarily related to higher volume, increased raw material costs, conversion costs and foreign currency translation.

In the first nine months of 2005, SAG was $2,139 million, compared to $2,079 million in 2004, an increase of $60 million or 2.9%. The increase in our tire segments was driven primarily by foreign currency translation, which added $35 million to SAG in the period. Wage and benefits expenses increased by nearly $30 million when compared to the comparable period in 2004. In addition, SAG increased by $16 million due to our acquisition of the remaining 50% interest of a Swedish retail subsidiary during the third quarter of 2004 and consolidation of their results beginning with the acquisition date. Partially offsetting these increases were lower professional fees associated with the restatement of $25 million. SAG as a percentage of sales was 14.5% in the first nine months of 2005, compared to 15.4% in the 2004 period.

Interest expense increased by $38 million to $306 million in the first nine months of 2005 from $268 million in the first nine months of 2004 primarily as a result of higher average interest rates, debt levels and interest penalties.

For the nine months ended September 30, 2005, Other (income) and expense was $5 million of income, compared to $117 million of expense in the 2004 period, an improvement of $122 million. The improvement was primarily related to gains on the sale of assets and insurance settlements. Results for the nine months ended September 30, 2005, included net gains on asset sales of $41 million, primarily due to the sale of the Wingtack adhesive resins business and other assets in the North American Tire Segment. Insurance settlement gains included $14 million related to the 2004 fire in Germany and $61 million for insurance settlements with certain insurance companies related to asbestos and environmental coverage.

For the first nine months of 2005, we recorded tax expense of $223 million on income before income taxes and minority interest in net income of subsidiaries of $581 million. Included in this amount was a net tax charge of $2 million primarily related to the settlement of prior years tax liabilities. For the first nine months of 2004, we recorded tax expense of $145 million on income before income taxes and minority interest in net income of subsidiaries of $178 million. Included in this amount was a net tax benefit of $50 million primarily related to the settlement of prior years tax liabilities. The difference between our effective tax rate and the U.S. statutory rate was primarily attributable to continuing to maintain a full valuation allowance against our net Federal and state deferred tax assets. As a result of the valuation allowance, deferred tax expense was not recorded on a significant portion of the results of our North American Tire Segment. Improvement in these results significantly contributed to the lower effective tax rate from 2004 to 2005.

Rationalization Activity

For the first nine months of 2005, $4 million of net reversals of reserves were recorded, which included $15 million of reversals for rationalization actions no longer needed for their originally-intended purposes. These reversals were partially offset by $11 million of new rationalization charges. The $15 million of reversals consisted of $9 million of associate-related costs for plans initiated in 2004 and 2003, and $6 million primarily for non-cancelable leases that were exited during the first quarter related to plans initiated in 2001 and earlier. The $11 million of charges primarily represent associate-related costs and consist of $9 million for plans initiated in 2005 and $2 million for plans initiated in 2004.

Accelerated depreciation charges were recorded for fixed assets that will be taken out of service in connection with certain rationalization plans initiated in 2003 and 2004 in the Engineered Products and European Union Tire Segments. For the first nine months of 2005 and 2004, accelerated depreciation charges of $2 million and $6 million, respectively, were recorded as Cost of goods sold. Accelerated depreciation charges of $2 million were recorded in the first nine months of 2004 as Selling, administrative and general expense.

2004 rationalization activities consisted primarily of warehouse, manufacturing and sales and marketing associate reductions in Engineered Products, a farm tire manufacturing consolidation in European Union Tire, administrative associate reductions in North American Tire, European Union Tire and corporate functional groups, and manufacturing, sales and research and development associate reductions in North American Tire. In fiscal year 2004, net charges were recorded totaling $56 million. The net charges included reversals of $39 million related to reserves from rationalization actions no longer needed for their originally-intended purpose, and new charges of $95 million. Included in the $95 million of new charges were $77 million for plans initiated in 2004, as described above. Approximately 1,400 associates will be released under programs initiated in 2004, of which approximately 1,070 have been released to date (430 during the first nine months of 2005). The costs of the 2004 actions consisted of $40 million related to future cash outflows, primarily for associate severance costs, $32 million in non-cash pension curtailments and postretirement benefit costs and $5 million for non-cancelable lease costs and other exit costs. Costs in 2004 also included $16 million related to plans initiated in 2003, consisting of $14 million of non-cancelable lease costs and other exit costs and $2 million of associate severance costs. The reversals are primarily the result of lower than initially estimated associate severance costs of $35 million and lower leasehold and other exit costs of $4 million. Of the $35 million of associate severance cost reversals, $12 million related to previously-approved plans in Engineered Products that were reorganized into the 2004 warehouse, manufacturing, and sales and marketing associate reductions.

We estimate that SAG and CGS were reduced in the nine months ended September 30, 2005 by approximately $25 million as a result of the implementation of the 2004 and 2005 plans.

For further information refer to the Interim Consolidated Financial Statements included in this prospectus, Note 2, Costs Associated with Rationalization Programs.

Fiscal Years 2004, 2003 and 2002

Net sales in 2004 were $18.35 billion, compared to $15.10 billion (as restated) in 2003 and $13.83 billion (as restated) in 2002.

Net income of $114.8 million, $0.63 per share, was recorded in 2004. A net loss of $807.4 million (as restated), $4.61 per share (as restated), was recorded in 2003. A net loss of $1.25 billion (as restated), $7.47 per share (as restated), was recorded in 2002, primarily resulting from a non-cash charge of $1.22 billion (as restated), $6.95 per share (as restated) to establish a valuation allowance against our net Federal and state deferred tax assets.

Net Sales

Net sales in 2004 increased approximately $3.3 billion from 2003. The increase was due primarily to the consolidation of two affiliates deemed to be variable interest entities, South Pacific Tyres (SPT) and Tire & Wheels Assemblies (T&WA), in January 2004. The consolidation of these businesses increased net sales in

2004 by approximately $1.2 billion. Additionally, improved pricing and product mix improvements in all SBUs, primarily in North American Tire, increased 2004 net sales by approximately $799 million. Higher unit volume in North American Tire, Latin American Tire, Eastern Europe Tire and European Union Tire, as well as higher volume in Engineered Products, had a favorable impact on 2004 net sales of approximately $606 million. Currency translation, mainly in Europe, favorably affected 2004 net sales by approximately $542 million.

The following table presents our tire unit sales for the periods indicated:

	Year Ended December 31,		
(In millions of tires)	**2004**	**2003**	**2002**
North American Tire (U.S. and Canada)	70.8	68.6	69.7
International	88.8	82.0	77.9
Replacement tire units	159.6	150.6	147.6
North American Tire (U.S. and Canada)	31.7	32.6	34.1
International	32.0	30.3	32.6
OE tire units	63.7	62.9	66.7
Goodyear worldwide tire units	223.3	213.5	214.3

Our worldwide tire unit sales in 2004 increased 4.6% from 2003. North American Tire volume in 2004 increased 1.3% from 2003, while international unit sales increased 7.5%. Worldwide replacement unit sales in 2004 increased 6.0% from 2003, due primarily to the consolidation of SPT and improvement in North American Tire, Latin American Tire and Eastern Europe Tire. Original equipment unit sales in 2004 increased 1.2% from 2003, due primarily to the consolidation of SPT and improvement in Eastern Europe Tire, Latin American Tire and European Union Tire. Original equipment and replacement tire unit sales in 2004 increased by approximately 0.8 million and 5.5 million units, respectively, as a result of the consolidation of SPT.

Net sales (as restated) in 2003 increased $1.3 billion from 2002 (as restated) due primarily to favorable currency translation of approximately $737 million, mainly in Europe. Favorable pricing and product mix in all business units, primarily Latin American Tire and North American Tire, accounted for approximately $418 million of the increase in revenues. In Europe, strong replacement sales also had a favorable impact on 2003 net sales of approximately $104 million.

Our worldwide tire unit sales in 2003 decreased 0.3% from 2002. North American Tire volume decreased 2.5% in 2003, while international unit sales increased 1.7%. Worldwide replacement unit sales in 2003 increased 2.0% from 2002, due to increases in all regions except North American Tire and Asia/ Pacific Tire. Original equipment unit sales decreased 5.6% in 2003, due primarily to a decrease in North American Tire.

Cost of Goods Sold

CGS was $14.69 billion in 2004, compared to $12.48 billion in 2003 and $11.29 billion in 2002. CGS was 80.1% of sales in 2004, compared to 82.6% in 2003 and 81.6% in 2002. CGS in 2004 increased by approximately $1.0 billion due to the previously mentioned consolidation of SPT and T&WA in accordance with FIN 46, by approximately $429 million in 2004 due to higher volume and approximately $409 million due to currency translation, primarily in Europe. Manufacturing costs related to changes in product mix increased 2004 CGS by approximately $210 million. In addition, 2004 raw material costs increased by approximately $280 million, although conversion costs were flat. Savings from rationalization programs totaling approximately $127 million favorably affected CGS in

2004. CGS in 2004 also includes a fourth quarter benefit of approximately $23.4 million ($19.3 million after tax or $0.09 per share) resulting from a settlement with certain suppliers of various raw materials.

CGS (as restated) in 2003 increased by approximately $554 million from 2002 due to currency movements, primarily in Europe. In addition, raw material costs in 2003, largely for natural and synthetic rubber, rose by approximately $335 million. CGS in 2003 also increased by approximately $133 million due to accelerated depreciation charges, asset impairment charges and write-offs related to 2003 rationalization actions. Manufacturing costs related to improvements in product mix, primarily in North American Tire, increased 2003 CGS by approximately $184 million. In addition, costs increased in Latin American Tire due to inflation. Savings from rationalization programs of approximately $61 million, mainly in European Union Tire and North American Tire, and the change in vacation policy described below of approximately $33 million favorably affected 2003 CGS. CGS in 2003 included $16.8 million of net charges related to Engineered Products account reconciliations that were recorded in conjunction with the restatement.

Research and development expenditures are expensed in CGS as incurred and were $378.2 million in 2004, compared to $351.0 million (as restated) in 2003 and $386.5 million (as restated) in 2002. Research and development expenditures in 2005 are expected to be approximately $380 to $390 million.

Selling, Administrative and General Expense

SAG was $2.83 billion in 2004, compared to $2.37 billion in 2003 and $2.20 billion in 2002. SAG in 2004 was 15.4% of sales, compared to 15.7% in 2003 and 15.9% in 2002. SAG increased by approximately $200 million in 2004 due to the previously mentioned consolidation of SPT and T&WA in accordance with FIN 46. SAG in 2004 included expenses of approximately $30 million for professional fees associated with the restatement and SEC investigation, and approximately $25 million for Sarbanes-Oxley compliance. We estimate that external costs for Sarbanes-Oxley compliance will be approximately $10 million to $15 million in 2005. Currency translation, primarily in Europe, increased SAG in 2004 by approximately $101 million. Advertising expenses were approximately $46 million higher due in part to the launch of the Assurance tire in North America, and wage and benefit costs rose by approximately $46 million. SAG in 2004 benefited from approximately $28 million in savings from rationalization programs.

SAG (as restated) increased in 2003 due primarily to currency translation, mainly in Europe, of approximately $132 million and higher wages and benefits of approximately $72 million. SAG also reflected increased advertising expense, largely in European Union Tire and North American Tire, of approximately $29 million and increased corporate consulting fees of approximately $23 million. SAG was favorably affected by savings from rationalization programs of approximately $74 million and by the change in vacation policy described below of approximately $34 million.

Other Cost Reduction Measures

During 2002, we announced the suspension of the matching contribution portion of our savings plans for all salaried associates, effective January 1, 2003. Effective April 20, 2003, we suspended the matching contribution portion of the savings plan for bargaining unit associates, including those covered by our master contract with the USW. We contributed approximately $38 million to the savings plans in 2002. In addition, we changed our vacation policy for domestic salaried associates in 2002. As a result of the changes to the policy, we did not incur vacation expense for domestic salaried associates in 2003. Vacation expense was approximately $67 million lower in 2003 compared to 2002 due to the impact of this change in vacation policy.

Interest Expense

Interest expense in 2004 was $368.8 million, compared to $296.3 million in 2003 and $242.7 million (as restated) in 2002. Interest expense increased in 2004 from 2003 due to higher average debt levels, higher average interest rates and the April 1, 2003 restructuring and refinancing of our credit facilities. Interest expense increased in 2003 from 2002 (as restated) due to higher average debt levels. While we expect interest expense to increase in 2005 due to higher interest rates and higher average debt levels, we expect that the $3.35 billion refinancing we announced in February 2005 will partially offset this increase by reducing the amount over LIBOR we pay to maintain the refinanced facilities.

Other (Income) and Expense

Other (income) and expense was $8.2 million in 2004, compared to $260.9 million (as restated) in 2003 and $48.5 million in 2002. Other (income) and expense included accounts receivable sales fees, debt refinancing fees and commitment fees totaling $116.5 million, $99.4 million and $48.4 million in 2004, 2003 and 2002, respectively. The higher level of financing fees and financial instruments in 2003 and 2004 was due to costs resulting from refinancing activities in those years. Amounts in 2004 included $20.5 million of deferred costs written-off in connection with refinancing activities in 2004. Financing fees and financial instruments included $45.6 million in 2003 related to new facilities in that year. Refer to the Note to the Financial Statements No. 11, Financing Arrangements and Derivative Financial Instruments, for further information about refinancing activities. We expect to incur additional financing fees in the future related to refinancings and capital market transactions.

Other (income) and expense included net charges for general and product liability-discontinued products totaling $52.7 million, $138.1 million (as restated) and $33.8 million in 2004, 2003 and 2002, respectively. These charges related to asbestos personal injury claims and for liabilities related to Entran II claims, net of insurance recoveries. Of the $52.7 million of net expense recorded in 2004, $41.4 million related to Entran II claims ($141.4 million of expense and $100.0 million of insurance recoveries) and $11.3 million related to asbestos claims ($13.0 million of expense and $1.7 million of probable insurance recoveries). Of the $138.1 million (as restated) of net expense recorded in 2003, $180.4 million related to Entran II claims ($255.4 million of expense and $75.0 million of insurance recoveries) and $(42.3) million (as restated) related to asbestos claims ($24.3 million of expense and $66.6 million of probable insurance recoveries). Of the $33.8 million of net expense recorded in 2002, $9.8 million related to Entran II claims and $24.0 million related to asbestos claims. We did not record any probable insurance recoveries in 2002. Refer to the Note to the Financial Statements No. 20, Commitments and Contingent Liabilities, included herein, for further information about general and product liabilities.

Other (income) and expense in 2004 included a gain of $13.3 million ($10.3 million after tax or $0.05 per share) on the sale of assets in North American Tire, European Union Tire and Engineered Products. In addition, a loss of $17.5 million ($17.8 million after tax or $0.09 per share) was recorded in 2004 on the sale of corporate assets and assets in North American Tire and European Union Tire, including a loss of $14.5 million ($15.6 million after tax or $0.08 per share) on the write-down of the assets of our natural rubber plantations in Indonesia. Other (income) and expense in 2004 also included a charge of $11.7 million ($11.6 million after tax or $0.07 per share) for insurance fire loss deductibles related to fires at our facilities in Germany, France and Thailand. During 2004, approximately $36 million in insurance recoveries were received related to these fire losses.

Other (income) and expense in the 2004 fourth quarter included a benefit of $156.6 million ($156.6 million after tax or $0.75 per share) resulting from a settlement with certain insurance companies. We will receive $159.4 million ($156.6 million plus imputed interest of $2.8 million) in installments in 2005 and 2006 in exchange for releasing the insurers from certain past, present and future environmental claims. A significant portion of the costs incurred by us related to these claims had been recorded over prior years.

Other (income) and expense in 2003 included a loss of $17.6 million ($8.9 million after tax or $0.05 per share) on the sale of 20,833,000 shares of common stock of Sumitomo Rubber Industries, Ltd. in the second quarter. A loss of $14.4 million ($13.2 million after tax or $0.08 per share) was recorded in 2003 on the sale of assets in Engineered Products, North American Tire and European Union Tire. A gain of $6.9 million ($5.8 million after tax or $0.04 per share) was recorded in 2003 resulting from the sale of assets in Asia/Pacific Tire, Latin American Tire and European Union Tire.

Other (income) and expense in 2002 included gains of $28.0 million ($23.7 million after tax or $0.14 per share) resulting from the sale of assets in Latin American Tire, Engineered Products and European Union Tire. The write-off of a miscellaneous investment of $4.1 million ($4.1 million after tax or $0.02 per share) was also included in Other (income) and expense in 2002.

For further information, refer to the Note to the Financial Statements No. 4, Other (Income) and Expense, included herein.

Foreign Currency Exchange

Net foreign currency exchange loss was $23.4 million in 2004, compared to a net loss of $40.7 million (as restated) in 2003 and a net gain of $8.7 million (as restated) in 2002. Foreign currency exchange loss in 2004 was lower than in 2003 (as restated), as 2003 (as restated) reflected the weakening of the Brazilian Real versus the U.S. dollar. The loss in 2003 (as restated) included approximately $48 million of increased losses versus 2002 due to currency movements on U.S. dollar-denominated monetary items in Brazil and Chile. Net foreign currency exchange gain in 2002 (as restated) benefited by approximately $16 million from currency movements on U.S. dollar-denominated monetary items in Brazil. A loss of approximately $8 million resulting from currency movements on U.S. dollar-denominated monetary items in Argentina was also recorded in 2002.

Equity in (Earnings) Losses of Affiliates

Equity in earnings of affiliates in 2004 was income of $8.4 million, compared to a loss of $14.5 million (as restated) in 2003 and a loss of $13.8 million (as restated) in 2002. The improvement in 2004 was due primarily to improved results at Rubbernetwork.com and the consolidation of SPT. Our share of losses at SPT was included in 2003 and 2002. SPT was consolidated effective January 1, 2004, pursuant to the provisions of FIN 46.

Income Taxes

For 2004, we recorded tax expense of $207.9 million on income before income taxes and minority interest in net income of subsidiaries of $380.5 million. For 2003, we recorded tax expense of $117.1 million (as restated) on a loss before income taxes and minority interest in net income of subsidiaries of $657.5 million (as restated). For 2002, we recorded tax expense of $1.23 billion (as restated) on income before income taxes and minority interest in net income of subsidiaries of $36.6 million (as restated).

The difference between our effective tax rate and the U.S. statutory rate was due primarily to our continuing to maintain a full valuation allowance against our net Federal and state deferred tax assets. In 2002 we recorded a non-cash charge of $1.22 billion (as restated) ($6.95 per share (as restated)) to establish this valuation allowance.

Income tax expense in 2004 includes net favorable tax adjustments totaling $60.1 million. These adjustments related primarily to the settlement of prior years tax liabilities.

In 2002, we determined that earnings of certain international subsidiaries would no longer be permanently reinvested in working capital. Accordingly, we recorded a provision of $50.2 million for the incremental taxes incurred or to be incurred upon inclusion of such earnings in Federal taxable income.

The American Job Creation Act of 2004 (the Act) was signed into law in October 2004 and replaces an export incentive with a deduction from domestic manufacturing income. As we are both an exporter and a domestic manufacturer and in a U.S. tax loss position, this change should have no material impact on our income tax provision. The Act also provides for a special one-time tax deduction of 85% of certain foreign earnings that are repatriated no later than 2005. We have started an evaluation of the effects of the repatriation provision. We do not anticipate that the repatriation of foreign earnings under the Act would provide an overall tax benefit to us. However, we do not expect to be able to complete this evaluation until our 2005 tax position has been more precisely determined and the U.S. Congress or the U.S. Treasury Department provide additional guidance on certain of the Act s provisions. Any repatriation of earnings under the Act is not expected to have a material impact on our results of operations, financial position or liquidity.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is probable that our positions will be sustained when challenged by the taxing authorities. As of December 31, 2004, we had not recognized tax benefits of approximately $180 million relating to the reorganization of legal entities in 2001. Pursuant to the reorganization, our tax payments have been reduced by approximately $67 million through December 31, 2004. Should the ultimate outcome be unfavorable, we would be required to make a cash payment for all tax reductions claimed as of that date.

For further information, refer to the Note to the Financial Statements No. 14, Income Taxes, included herein.

Rationalization Activity

We recorded net rationalization costs of $55.6 million in 2004, $291.5 million in 2003 and $5.5 million in 2002. As of December 31, 2004, we had reduced employment levels by approximately 6,800 from January 1, 2002 and approximately 18,000 since January 1, 2000, primarily as a result of rationalization activities.

2004

In 2004, net charges were recorded totaling $55.6 million ($52.0 million after-tax or $0.27 per share). The net charges included reversals of $39.2 million ($32.2 million after tax or $0.17 per share) related to reserves from rationalization actions no longer needed for their originally intended purpose, and new charges of $94.8 million ($84.2 million after tax or $0.44 per share). Included in the $94.8 million of new charges are $77.4 million for plans initiated in 2004. These plans consisted of warehouse, manufacturing and sales and marketing associate reductions in Engineered Products, a farm tire manufacturing consolidation in European Union Tire, manufacturing, sales, research and development and administrative associate reductions in North American Tire, and administrative associate reductions in European Union Tire and corporate functional groups. Approximately 1,400 associates will be released under programs initiated in 2004, of which approximately 1,070 were released to date (430 during the first nine months of 2005). The costs of the 2004 actions consisted of $40.1 million related to future cash outflows, primarily for associate severance costs, $31.9 million in non-cash pension curtailments and postretirement benefit costs, and $5.4 million of non-cancelable lease costs and other exit costs. Costs in 2004 also included $16.3 million related to plans initiated in 2003, consisting of $13.7 million for non-cancelable lease costs and other exit costs and $2.6 million of associate-related costs. The reversals are primarily the result of lower than initially estimated associate severance costs of $34.9 million and lower leasehold and other exit costs of $4.3 million. Of the $34.9 million of associate severance cost reversals, $12.0 million related to previously-approved plans in Engineered Products that were reorganized into the 2004 warehouse, manufacturing, and sales and marketing associate reductions.

In 2004, $75.0 million was incurred primarily for associate severance payments, $34.6 million for non-cash pension curtailments and postretirement benefit costs, and $22.9 million was incurred for noncancelable lease costs and other costs. The remaining accrual balance for all programs was $67.6 million at December 31, 2004, substantially all of which is expected to be utilized within the next 12 months. In addition, accelerated depreciation charges totaling $10.4 million were recorded in 2004 for fixed assets that will be taken out of service in connection with certain rationalization plans initiated in 2004 and 2003 in European Union Tire, Latin American Tire and Engineered Products. During 2004, $7.7 million was recorded as CGS and $2.7 million was recorded as SAG.

2003

In 2003, net charges were recorded totaling $291.5 million ($267.1 million after tax or $1.52 per share). The net charges included reversals of $15.7 million ($14.3 million after tax or $0.08 per share) related to reserves from rationalization actions no longer needed for their originally intended purpose, and new charges of $307.2 million ($281.4 million after tax or $1.60 per share). The 2003 rationalization actions consisted of manufacturing, research and development, administrative and retail consolidations in North America, Europe and Latin America. Of the $307.2 million of new charges, $174.8 million related to future cash outflows, primarily associate severance costs, and $132.4 million related primarily to non-cash special termination benefits and pension and retiree benefit curtailments. Approximately 4,400 associates will be released under the programs initiated in 2003, of which approximately 2,700 were exited in 2003 and approximately 1,500 were exited during 2004. The reversals are primarily the result of lower than initially estimated associate-related payments of approximately $12 million, favorable sublease contract signings in the European Union of approximately $3 million and lower contract termination costs in the United States of approximately $1 million. These reversals do not represent changes in the plans as originally approved by management.

As part of the 2003 rationalization program, we closed our Huntsville, Alabama tire facility in the fourth quarter of 2003. Of the $307.2 million of new rationalization charges in 2003, approximately $138 million related to the Huntsville closure and were primarily for associate-related costs, including severance, special termination benefits and pension and retiree benefit curtailments. The Huntsville closure also resulted in charges to CGS of approximately $35 million for asset impairments and $85 million for accelerated depreciation and the writeoff of spare parts. In addition, 2003 CGS included charges totaling approximately $8 million to write-off construction in progress related to the research and development rationalization plan, and approximately $5 million for accelerated depreciation on equipment taken out of service at European Union Tire s facility in Wolverhampton, England.

2002

In 2002, net charges were recorded totaling $5.5 million ($6.4 million after tax or $0.03 per share). The net charges included reversals of $18.0 million ($14.3 million after tax or $0.09 per share) for reserves from rationalization actions no longer needed for their originally intended purpose. In addition, new charges were recorded totaling $26.5 million ($23.0 million after tax or $0.14 per share) and other credits were recorded totaling $3.0 million ($2.3 million after tax or $0.02 per share). The 2002 rationalization actions consisted of a manufacturing facility consolidation in Europe, the closure of a mold manufacturing facility and a plant consolidation in the United States, and administrative consolidations. Of the $26.5 million charge, $24.2 million related to future cash outflows, primarily associate severance costs, and $2.3 million related to non-cash write-offs of equipment taken out of service in the Engineered Products and North American Tire Segments.

General

Upon completion of the 2004 plans, we estimate that annual operating costs will be reduced by approximately $110 million (approximately $50 million SAG and approximately $60 million CGS) of which $9 million was realized during 2004. We estimate that SAG and CGS were reduced in the nine months ended September 30, 2005 by approximately $25 million as a result of the implementation of the 2004 and 2005 plans. We estimate that CGS and SAG were reduced in 2004 by approximately $120 million and $64 million, respectively, as a result of the implementation of the 2003 plans. Plan savings have been substantially offset by higher SAG and conversion costs including increased compensation and benefit costs.

The remaining reserve for costs related to the completion of our rationalization actions was $29 million at September 30, 2005, compared to $68 million at December 31, 2004 and $143 million at December 31, 2003. The majority of the accrual balance of $29 million at September 30, 2005 is expected to be utilized within the next twelve months.

Union Agreement

Our master contract with the USW committed us to consummate the issuance or placement of at least $250 million of debt securities and at least $75 million of equity or equity-linked securities by December 31, 2003 or the USW would have the right to file a grievance and strike. On March 12, 2004, we completed a private offering of $650 million in senior secured notes due 2011, consisting of $450 million of 11% senior secured notes and $200 million of floating rate notes at LIBOR plus 8%. On July 2, 2004, we completed a private offering of $350 million in 4% convertible senior notes due 2034 (an equity-linked security). Under the master contract we also committed to launch, by December 1, 2004, a refinancing of our U.S. term loan and revolving credit facilities due in April 2005, with loans or securities having a term of at least three years. We completed the refinancing of the U.S. term loan in March 2004 and refinanced the U.S. revolving credit facility in August 2004. In the event of a strike by the USW, our operations and liquidity could be materially adversely affected.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Actual results could differ from those estimates. Significant estimates include:

- general and product liability and other litigation
- environmental liabilities
- workers compensation
- recoverability of goodwill and other intangible assets
- deferred tax asset valuation allowance
- pension and other postretirement benefits
- allowance for doubtful accounts

On an ongoing basis, management reviews its estimates, based on currently available information. Changes in facts and circumstances may alter such estimates and affect results of operations and financial position in future periods.

General and Product Liability and Other Litigation. General and product liability and other recorded litigation liabilities are recorded based on management s analysis that a loss arising from these matters is probable. If the loss can be reasonably estimated, we record the amount of the estimated loss. If the loss is estimated using a range and no point within the range is more probable than another, we record the minimum amount in the range. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Loss ranges are based upon the specific facts of each claim or class of claim and were determined after review by our in-house counsel, external counsel or a combination thereof. Court rulings on our cases or similar cases could impact our assessment of the probability and estimate of our loss, which could have an impact on our reported results of operations, financial position and liquidity. We record insurance recovery receivables related to our litigation claims when it is probable we will receive reimbursement from the insurer. Specifically, we are a defendant in numerous lawsuits alleging various asbestos-related personal injuries purported to result from alleged exposure to asbestos 1) in certain rubber encapsulated products or aircraft braking systems manufactured by us in the past, or 2) in certain of our facilities. Typically, these lawsuits have been brought against multiple defendants in state and Federal courts.

Due to the potential exposure that the asbestos claims represent, we began using an independent asbestos valuation firm in connection with the preparation of our 2003 financial statements. The firm was engaged to review our existing reserves for pending claims, determine whether or not we could make a reasonable estimate of the liability associated with unasserted asbestos claims, and review our method of determining our receivables from probable insurance recoveries.

Prior to the fourth quarter of 2003, our estimate for asbestos liability was based upon a review of the various characteristics of the pending claims by an experienced asbestos counsel. In addition, at that time we did not have an accrual for unasserted claims, as sufficient information was deemed to be not available to reliably estimate such an obligation prior to the fourth quarter of 2003.

After reviewing our recent settlement history by jurisdiction, law firm, disease type and alleged date of first exposure, the valuation firm cited two primary reasons for us to refine our valuation assumptions. First, in calculating our estimated liability, the valuation firm determined that we had previously assumed that we would resolve more claims in the foreseeable future than is likely based on our historical record and nationwide trends. As a result, we now assume that a smaller percentage of pending claims will be resolved within the predictable future. Second, the valuation firm determined that it was not possible to estimate a liability for as many non-malignancy claims as we had done in the past. As a result, our current estimated liability includes fewer liabilities associated with non-malignancy claims than were included prior to December 2003.

A significant assumption in our estimated liability is that it represents our estimated liability through 2008, which represents the period over which the liability can be reasonably estimated. Due to the difficulties in making these estimates, analysis based on new data and/or changed circumstances arising in the future could result in an increase in the recorded obligation in an amount that cannot be reasonably estimated, and that increase could be significant. We had recorded liabilities for both asserted and unasserted claims, inclusive of defense costs, totaling $119.3 million at December 31, 2004 and $134.7 million (as restated) at December 31, 2003. The portion of the liability associated with unasserted asbestos claims was $37.9 million at December 31, 2004 and $54.4 million (as restated) at December 31, 2003. At December 31, 2004, our liability with respect to asserted claims and related defense costs was $81.4 million, compared to $80.3 million (as restated) at December 31, 2003.

We maintain primary insurance coverage under coverage-in-place agreements as well as excess liability insurance with respect to asbestos liabilities. We record a receivable with respect to such policies when we determine that recovery is probable and we can reasonably estimate the amount of a particular recovery.

Prior to 2003, we did not record a receivable for expected recoveries from excess carriers in respect of asbestos-related matters. We have instituted coverage actions against certain of these excess carriers. After consultation with our outside legal counsel and giving consideration to relevant factors, including the ongoing legal proceedings with certain of our excess coverage insurance carriers, their financial viability, their legal obligations and other pertinent facts, we determined an amount we expect is probable of recovery from such carriers. Accordingly, we recorded a receivable during 2003, which represents an estimate of recovery from our excess coverage insurance carriers relating to potential asbestos-related liabilities.

The valuation firm also reviewed our method of valuing receivables recorded for probable insurance recoveries. Based upon the model employed by the valuation firm, as of December 31, 2004, (i) we had recorded a receivable related to asbestos claims of $107.8 million, compared to $121.3 million (as restated) at December 31, 2003, and (ii) we expect that approximately 90% of asbestos claim related losses would be recoverable up to our accessible policy limits through the period covered by the estimated liability. The receivable recorded consists of an amount we expect to collect under coverage-in-place agreements with certain primary carriers as well as an amount we believe is probable of recovery from certain of our excess coverage insurance carriers. Of this amount, $9.4 million and $11.8 million (as restated) was included in Current assets as part of Accounts and notes receivable at December 31, 2004 and 2003, respectively.

In addition to our asbestos claims, we are a defendant in various lawsuits related to our Entran II rubber hose product. During 2004, we entered into a settlement agreement to address a substantial portion of our Entran II liabilities. The claims associated with the plaintiffs that opted not to participate in the settlement will be evaluated in a manner consistent with our other litigation claims. We had recorded liabilities related to Entran II claims totaling $307.2 million at December 31, 2004 and $246.1 million at December 31, 2003.

Environmental Matters. We had recorded liabilities totaling $39.5 million at December 31, 2004 and $32.6 million (as restated) at December 31, 2003 for anticipated costs related to various environmental matters, primarily the remediation of numerous waste disposal sites and certain properties sold by us. Our environmental liabilities are based upon our best estimate of the cost to remediate the identified locations. Our process for estimating the costs entails management selecting the best remediation alternative based upon either an internal analysis or third party studies and proposals. Our estimates are based upon the current law and approved remediation technology. The actual cost that will be incurred may differ from these estimates based upon changes in environmental laws and standards, approval of new environmental remediation technology, and the extent to which other responsible parties ultimately contribute to the remediation efforts.

Workers Compensation. We had recorded liabilities, on a discounted basis, totaling $230.7 million and $195.7 million (as restated) for anticipated costs related to workers compensation at December 31, 2004 and December 31, 2003, respectively. The costs include an estimate of expected settlements on pending claims, defense costs and a provision for claims incurred but not reported. These estimates are based on our assessment of potential liability using an analysis of available information with respect to pending claims, historical experience, and current cost trends. The amount of our ultimate liability in respect of these matters may differ from these estimates. We periodically update our loss development factors based on actuarial analyses. The increase in the liability from 2003 to 2004 was due primarily to an increase in reserves for existing claims, reflecting revised estimates of our ultimate liability in these cases, and updated actuarial assumptions related to unasserted claims. At December 31, 2004, the liability was discounted using the risk-free rate of return.

For further information on general and product liability and other litigation, environmental matters and workers compensation, refer to the Note to the Financial Statements No. 20, Commitments and Contingencies, included herein, and Note 7 to the unaudited Interim Financial Statements, included herein.

Goodwill and Other Intangible Assets. Generally accepted accounting principles do not permit goodwill or other intangible assets with indefinite lives to be amortized. Rather, these assets must be tested annually for potential indicator of impairment.

For purposes of our annual impairment testing, we determine the estimated fair values of our reporting units using a valuation methodology based upon an EBITDA multiple using comparable companies in the global automotive industry sector and a discounted cash flow approach. The EBITDA multiple is adjusted if necessary to reflect local market conditions and recent transactions. The EBITDA of the reporting units are adjusted to exclude certain non-recurring or unusual items and corporate charges. EBITDA is based upon a combination of historical and forecasted results. Significant decreases in EBITDA in future periods could be an indication of a potential impairment. Additionally, valuation multiples in the global automotive industry sector would have to decline in excess of 25% to indicate a potential goodwill impairment.

Goodwill totaled $720.3 million and other intangible assets totaled $162.6 million at December 31, 2004. We completed our 2004 annual valuation during the third quarter of 2004. The valuation indicated that there was no impairment of goodwill or other intangible assets with indefinite lives.

Deferred Tax Asset Valuation Allowance. At December 31, 2004, we had valuation allowances aggregating $2.1 billion against all of our net Federal and state and some of our foreign net deferred tax assets.

The valuation allowance was calculated in accordance with the provisions of SFAS 109 which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. In accordance with SFAS 109, evidence, such as operating results during the most recent three-year period, is given more weight than our expectations of future profitability, which are inherently uncertain. Our U.S. losses in recent periods represented sufficient negative evidence to require a full valuation allowance against our net Federal and state deferred tax assets under SFAS 109. We intend to maintain a valuation allowance against our net deferred tax assets until sufficient positive evidence exists to support realization of such assets.

Pensions and Other Postretirement Benefits. Our recorded liability for pensions and postretirement benefits other than pensions is based on a number of assumptions, including:

future health care costs,

maximum company-covered benefit costs,

life expectancies,

retirement rates,

discount rates,

long term rates of return on plan assets, and

future compensation levels.

Certain of these assumptions are determined with the assistance of outside actuaries. Assumptions about future health care costs, life expectancies, retirement rates and future compensation levels are based on past experience and anticipated future trends, including an assumption about inflation. The discount rate for our U.S. plans is derived from a portfolio of corporate bonds from issuers rated AA- or higher by S&P. The total cash flows provided by the portfolio are similar to the timing of our expected benefit payment cash flows. The long term rate of return on plan assets is based on the compound annualized return of our U.S. pension fund over periods of 15 years or more, asset class return expectations and long-term inflation. These assumptions are regularly reviewed and revised when appropriate, and changes in one or more of them could affect the amount of our recorded net expenses for these benefits. If the actual experience differs from expectations, our financial position, results of operations and liquidity in future periods could be affected.

The discount rate used in determining the recorded liability for our U.S. pension and postretirement plans was 5.75% for 2004, compared to 6.25% for 2003 and 6.75% for 2002. The decrease in the rate was due primarily to lower interest rates on long-term highly rated corporate bonds. As a result, interest cost included in our net periodic pension cost increased to $421.0 million in 2004, compared to $399.8 million in 2003 and $385.0 million in 2002. Interest cost included in our net periodic postretirement cost was $188.1 million in 2004, compared to $174.0 million in 2003 and $186.9 million in 2002. Actual return on plan assets was 12.1% in 2004, compared to expected returns of 8.5%.

The following table presents the sensitivity of our projected pension benefit obligation, accumulated other postretirement obligation, shareholders equity, and 2005 expense to the indicated increase/decrease in key assumptions:

	+/- Change at December 31, 2004			
(Dollars in millions)	**Change**	**PBO/ABO**	**Equity**	**2005 Expense**
Pensions:				
Assumption:				
Discount rate	+/-0.5%	$ 260	$ 260	$ 14
Actual return on assets	+/-1.0%	N/A	30	32
Estimated return on assets	+/-1.0%	N/A	N/A	30
Postretirement Benefits:				
Assumption:				
Discount rate	+/-0.5%	148	N/A	4
Health care cost trends total cost	+/-1.0%	14	N/A	2

For further information on pensions, refer to the Note to the Financial Statements No. 13, Pensions, Other Postretirement Benefits and Savings Plans, included herein, and Note 6 to the unaudited Interim Financial Statements, included herein.

Allowance for Doubtful Accounts. The allowance for doubtful accounts represents an estimate of the losses expected from our accounts and notes receivable portfolio. The level of the allowance is based on many quantitative and qualitative factors, including historical loss experience by region, portfolio duration, economic conditions and credit risk quality. The adequacy of the allowance is assessed quarterly.

Different assumptions or changes in economic conditions would result in changes to the allowance for doubtful accounts. The allowance for doubtful accounts totaled $144.4 million and $128.9 million (as restated) at December 31, 2004 and 2003, respectively.

Segment Information

Segment information reflects our strategic business units (SBUs), which are organized to meet customer requirements and global competition. The Tire businesses are segmented on a regional basis. Engineered Products is managed on a global basis.

Effective January 1, 2005, Chemical Products was integrated into North American Tire. Intercompany sales from Chemical Products to other segments are no longer reflected in our segment sales. In addition, segment operating income from intercompany sales from Chemical Products to other segments is no longer reflected in our total segment operating income.

Results of operations are measured based on net sales to unaffiliated customers and segment operating income. Segment operating income is computed as follows: Net Sales less CGS (excluding certain accelerated depreciation charges, asset impairment charges and asset write-offs) and SAG (including certain allocated corporate administrative expenses).

Total segment operating income was $330 million in the third quarter of 2005, increasing $58 million from $272 million in the third quarter of 2004. Total segment operating margin (total segment operating income divided by segment sales) in the third quarter of 2005 was 6.6% compared to 5.8% in the third quarter of 2004.

In the first nine months of 2005, total segment operating income was $938 million, increasing $231 million, or 33% from $707 million in the 2004 period. Total segment operating margin in the first nine months of 2005 was 6.3% compared to 5.2% in the 2004 comparable period.

Management believes that total segment operating income is useful because it represents the aggregate value of income created by our SBUs and excludes items not directly related to the SBUs for performance evaluation purposes. Total segment operating income is the sum of the individual SBUs segment operating income as determined in accordance with Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information. Refer to Note to the Financial Statements No. 18, Business Segments, included herein, and Note 8 to the unaudited Interim Financial Statements included herein, for further information and for a reconciliation of total segment operating income to Income before Income Taxes.

North American Tire

	Year Ended December 31,			**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
		Restated									
(In millions)	**2004**	**2003**	**2002**	**2005**	**2004**	**Change**	**Percent Change**	**2005**	**2004**	**Change**	**Percent Change**
Tire Units	102.5	101.2	103.8	26.6	26.6		%	77.2	77.1	0.1	0.2%
Net Sales	$ 8,568.6	$ 7,279.2	$ 7,095.4	$ 2,370	$ 2,257	$ 113	5.0%	$ 6,804	$ 6,366	$ 438	6.9%
Segment Operating Income	73.5	(102.5)	(21.5)	58	27	31	114.8%	124	44	80	181.8%
Segment Operating Margin	0.9%	(1.4)%	(0.3)%	2.4%	1.2%			1.8%	0.7%		

Three Months Ended September 30, 2005 and 2004

North American Tire unit sales in the 2005 third quarter remained flat from the prior year comparable quarter as the increase in consumer OE units of 0.1 or 1.9% was offset by a 0.1 unit or 15.5% decrease in the commercial OE market.

Net sales increased 5.0% in the third quarter of 2005 from the comparable 2004 period due primarily to favorable price and product mix of approximately $98 million, driven by price increases to offset higher raw material costs and improved mix resulting from our strategy to focus on the higher value replacement market and being more selective in the OE market. Also positively impacting sales in the period were translation of approximately $7 million and approximately $7 million from growth in other tire related businesses.

Operating income increased $31 million, or 114.8% in the third quarter of 2005 from the comparable 2004 period. The improvement was driven by our tire business improved price and product mix of approximately $83 million and lower conversion costs of approximately $13 million, due in part to lower OPEB costs. We also had an $11 million improvement in the operating income of our other tire related businesses. Overall, favorable SAG costs of $6 million primarily resulted from lower general and product liability claim costs. These favorable effects were partially offset by increased raw material costs of approximately $80 million in our tire business. Included in the 2005 results discussed above are $10 million of costs associated with the hurricanes.

Operating income for the third quarter 2005 and 2004 did not include rationalization net charges of $3 million and $4 million, respectively. Operating income also did not include third quarter 2005 net gains on asset sales of $28 million.

Nine Months Ended September 30, 2005 and 2004

Unit sales in the first nine months of 2005 increased 0.1 million units or 0.2% from the 2004 period. Replacement unit volume increased 1.4 million units or 2.6%, while OE volume decreased 1.2 million units or 4.9%.

Net sales increased 6.9% in the first nine months of 2005 from the 2004 period due primarily to favorable price and product mix of approximately $256 million due to price increases to offset rising raw material costs and improved mix from our strategy to focus on the higher value consumer replacement market and being more selective in the consumer OE market and improved volume of $16 million. Also positively impacting sales for the period was growth in other tire related businesses including the T&WA business of approximately $139 million and translation of $27 million.

Operating income increased $80 million, or 181.8% in the first nine months of 2005 from the 2004 period. The improvement was driven by improved price and product mix of approximately $188 million, lower conversion costs of approximately $73 million, primarily related to the implementation of cost reduction initiatives resulting in productivity improvements, lower OPEB costs and rationalization activities, including the closure of the Huntsville plant, related to our tire business and by an approximate $42 million improvement in the earnings of our retail, external chemicals and other tire related businesses. The 2005 period was unfavorably impacted by increased raw material costs of approximately $210 million in our tire business and an increase in segment SAG costs of approximately $12 million, primarily related to higher compensation costs. Included in the 2005 results discussed above are $10 million of costs associated with the hurricanes.

Operating income in the first nine months of 2005 did not include rationalization net reversals of $6 million and a net gain on asset sales of $36 million. Operating income in the first nine months of 2004 did not include rationalization net charges totaling $10 million and a gain on asset sales of $2 million.

During the third quarter, in order to better reflect the actual operating performance of the businesses within our North American Tire Segment, we began to include raw material and manufacturing conversion variances directly related to our other tire businesses in their results for management reporting purposes. The change, which was applied to all periods presented, resulted in approximately $21 million of unfavorable variances previously included within tire business results being reclassified to other tire related business for the six month period ended June 30, 2005. The overall segment operating income was not effected by this change.

Fiscal Years Ended 2004, 2003 and 2002

North American Tire unit sales in 2004 increased 1.3 million units or 1.3% from 2003 but decreased 1.3 million units or 1.3% from 2002. Replacement unit sales in 2004 increased 2.2 million units or 3.2% from 2003 and 1.1 million units or 1.6% from 2002. Original equipment volume in 2004 decreased 0.9 million units or 2.6% from 2003 and 2.4 million units or 7.1% from 2002. Replacement unit volume in 2004 increased from 2003 due primarily to higher sales of Goodyear brand tires. OE unit sales in 2004 decreased from 2003 due primarily to a slowdown in the automotive industry that resulted in lower levels of vehicle production and our selective fitment strategy in the consumer original equipment business.

Net sales in 2004 increased 17.7% from 2003 and 20.8% from 2002. Net sales in 2004 increased $523.8 million from 2003 due to the consolidation of T&WA in January 2004 in accordance with FIN 46. Sales were also favorably affected by approximately $312 million resulting from favorable pricing and product mix, due primarily to strong sales of Goodyear brand consumer tires and commercial tires. In addition, net sales benefited by approximately $271 million due to increased volume, mainly in the commercial OE and consumer replacement and retail markets. External chemical sales increased approximately $189 million primarily from increased pricing and improved volume.

Net sales in 2003 increased 2.6% from 2002. Net sales increased in 2003 due to improved pricing and product mix of approximately $118 million, primarily in the consumer replacement and original equipment markets, and lower product related adjustments of approximately $10 million. The production slowdown by automakers and a decrease in the consumer replacement custom brand channel contributed to lower volume of approximately $86 million in 2003. External chemical sales increased approximately $130 million primarily from increased pricing and improved volume in both natural and synthetic rubber.

During 2002, we supplied approximately 500 thousand tire units with an operating income benefit of approximately $10 million in connection with the Ford tire replacement program. Ford ended the replacement program on March 31, 2002.

Operating income in 2004 increased significantly from 2003 and 2002. Operating income in 2004 rose from 2003 (as restated) due primarily to improvements in pricing and product mix of approximately $201 million, primarily in the consumer and commercial replacement markets. In addition, operating income benefited by approximately $65 million from increased volume, primarily in the consumer replacement, commercial OE and retail markets. Operating income was favorably affected by savings from rationalization programs totaling approximately $78 million. Operating income in 2004 was unfavorably impacted by increased raw material costs of approximately $99 million and higher transportation costs of $32 million. SAG in 2004 was approximately $58 million higher than in 2003, due in part to increased advertising costs of approximately $25 million and increased compensation and benefits costs of approximately $12 million. External chemical operating income improved approximately $14 million due to improved pricing and product mix and higher volume.

Operating income in 2003 (as restated) decreased significantly from 2002 (as restated). Higher raw materials costs of approximately $151 million, higher manufacturing conversion costs of approximately $86 million, primarily related to contractual increases, and lower consumer volume of approximately $12 million adversely impacted 2003 operating income. Operating income benefited by approximately $66 million from savings related to rationalization programs and by approximately $37 million due to lower research and development expenditures. Operating income in 2003 (as restated) included a benefit of approximately $51 million from the previously mentioned change in the domestic salaried associates vacation policy, and $20 million of insurance recoveries related to general and product liabilities. External chemical operating income deteriorated by approximately $8 million due to increased raw material and conversion costs.

Operating income did not include net rationalization charges (credits) totaling $8.4 million in 2004, $191.9 million in 2003 and $(1.9) million in 2002. In addition, operating income did not include losses on asset sales of $13.2 million in 2004 and $3.8 million in 2003, and the write-off of a miscellaneous investment totaling $4.1 million in 2002.

European Union Tire

	Year Ended December 31,			**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
		Restated									
(In millions)	**2004**	**2003**	**2002**	**2005**	**2004**	**Change**	**Percent Change**	**2005**	**2004**	**Change**	**Percent Change**
Tire Units	62.8	62.3	61.5	16.2	15.8	0.4	2.5%	48.1	47.5	0.6	1.3%
Net Sales	$ 4,476.2	$ 3,921.5	$ 3,319.4	$ 1,131	$ 1,085	$ 46	4.2%	$ 3,507	$ 3,256	$ 251	7.7%
Segment Operating Income	252.7	129.8	101.1	80	68	12	17.6%	272	195	77	39.5%
	5.6%	3.3%	3.0%	7.1%	6.3%			7.8%	6.0%		

Segment
Operating
Margin

Three Months Ended September 30, 2005 and 2004

European Union Tire segment unit sales in the 2005 third quarter increased 0.4 million units or 2.5% from the 2004 period. Replacement unit sales increased 0.4 million units or 3.9% while OE volume was essentially flat compared to the third quarter of 2004.

Net sales in the third quarter of 2005 increased 4.2% compared to the third quarter of 2004 primarily due to price and product mix of approximately $51 million driven by price increases to offset higher raw material costs and a favorable mix toward the consumer replacement and commercial markets. Also contributing to the sales increase was a volume increase of approximately $24 million, largely due to increases in the consumer replacement market. This improvement was partially offset by the lower sales in other tire related business of $16 million and unfavorable currency translation totaling approximately $11 million.

For the third quarter of 2005, operating income increased $12 million, or 17.6% compared to 2004 due to improvements in price and product mix of approximately $40 million driven by price increases to offset higher raw material costs and a continued shift towards higher value high performance, ultra-high performance and commercial tires. Operating income was adversely affected by higher raw material costs of approximately $13 million, higher SAG expense of approximately $10 million primarily related to higher selling and advertising expenses, and $6 million in higher other tire related business expenses.

Operating income for the third quarter of 2005 and 2004 did not include rationalization net charges totaling $3 million and $1 million, respectively. In 2004, operating income did not include a $1 million gain on the sale of assets.

Nine Months Ended September 30, 2005 and 2004

Unit sales in the first nine months 2005 increased 0.6 million units or 1.3% from the 2004 period. Replacement volume increased 0.9 million units or 2.5% while OE volume decreased 0.3 million units or 1.8%.

Net sales in the first nine months of 2005 increased $251 million, or 7.7% compared to the first nine months of 2004 primarily due to price and product mix improvements of approximately $168 million driven by price increases to offset higher raw material costs and a favorable mix toward the consumer replacement and commercial markets and the favorable effect of currency translation totaling approximately $76 million. Volume increases in the first nine months impacted sales by approximately $37 million largely due to increases in the consumer replacement and OE commercial market.

For the first nine months of 2005, operating income increased by $77 million, or 39.5% compared to 2004 due primarily to improvements in price and product mix of approximately $117 million and increased volume of $9 million largely due to increases in the consumer replacement and commercial OE markets. Operating income was adversely affected by higher raw material costs of approximately $40 million in the first nine months of 2005 compared to 2004 and higher SAG expense of $11 million, due primarily to increased advertising costs.

Operating income in the first nine months of 2005 did not include rationalization net charges of $1 million and a gain on asset sales of $4 million. Operating income in the first nine months of 2004 did not include rationalization net charges totaling $26 million and a gain on asset sales of $3 million.

Fiscal Years 2004, 2003 and 2002

European Union Tire unit sales in 2004 increased 0.5 million units or 0.8% from 2003 and 1.3 million units or 2.0% from 2002. Replacement unit sales in 2004 approximated 2003 levels but increased 2.6 million units or 6.4% from 2002. Original equipment volume in 2004 increased 0.5 million units or 2.4% from 2003 but decreased 1.3 million units or 7.0% from 2002. Replacement unit sales in 2004 were flat, reflecting product shortages, especially in the first half of 2004. OE unit sales in 2004 increased from 2003 due primarily to increased sales of consumer tires and improved conditions in the commercial market.

Net sales in 2004 increased 14.1% from 2003 and 34.8% from 2002. Net sales in 2004 increased from 2003 due primarily to a benefit of approximately $382 million from currency translation, mainly from the Euro. Net sales rose by approximately $130 million due to improved pricing and product mix, due primarily to price increases and a shift in mix towards higher priced premium brands. Additionally, higher OE volume increased 2004 net sales by approximately $41 million.

Net sales in 2003 (as restated) increased 18.1% from 2002. Net sales increased in 2003 compared to 2002 due primarily to a benefit of approximately $587 million from currency translation, mainly from the Euro. In addition, net sales rose by approximately $42 million due to higher volume in the consumer replacement market. Negative pricing and product mix in retail operations adversely impacted net sales in 2003 by approximately $30 million.

Operating income in 2004 increased 94.7% from 2003 and 150.0% from 2002. Operating income in 2004 rose from 2003 due primarily to improvements in pricing and product mix of approximately $135 million. In addition, higher sales volume benefited operating income by approximately $9 million. In addition, to higher production and productivity improvements increased 2004 operating income by approximately $4 million. Savings from rationalization actions benefited operating income by approximately $47 million. Operating income rose by approximately $13 million from currency translation. Operating income was adversely impacted by higher raw material costs totaling approximately $42 million. SAG rose by approximately $39 million, due primarily to higher selling and advertising expenses related to premium brand tires.

Operating income in 2003 (as restated) increased 28.4% from 2002. Operating income in 2003 increased due primarily to savings from rationalization programs of approximately $57 million, and the benefit of higher production tonnage and increased productivity totaling approximately $17 million. Operating income rose by approximately $26 million due to the favorable impact of currency translation and by approximately $10 million from improved volume, particularly in the replacement market. Improved pricing and product mix, mainly in the consumer replacement and original equipment markets, benefited operating income in 2003 by approximately $5 million. Operating income was adversely impacted by higher raw material costs of approximately $50 million, higher pension costs of approximately $18 million and higher SAG costs due to increased advertising of approximately $14 million. In addition, operating income in 2003 included a charge of approximately $13 million for an unfavorable court settlement.

Operating income did not include net rationalization charges (credits) totaling $23.1 million in 2004, $54.3 million in 2003 and $(0.4) million in 2002. In addition, operating income did not include (gains) losses on asset sales of $(6.2) million in 2004, $1.5 million (as restated) in 2003 and $(13.7) million (as restated) in 2002.

European Union Tire s results are highly dependent upon the German market, which accounted for 37% of European Union Tire s net sales in 2004. Accordingly, results of operations in Germany will have a significant impact on European Union Tire s future performance and could also have an impact on our other segments.

Eastern Europe, Middle East and Africa Tire

	Year Ended December 31,			Three Months Ended September 30,				Nine Months Ended September 30,			
	2004	2003	2002	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
(In millions)											
Tire Units	18.9	17.9	16.1	5.4	5.2	0.2	4.9%	14.9	14.4	0.5	3.8%
Net Sales	$ 1,279.0	$ 1,073.4	$ 807.1	$ 394	$ 344	$ 50	14.5%	$ 1,076	$ 928	$ 148	15.9%
Segment Operating Income	193.8	146.6	93.2	64	60	4	6.7%	160	148	12	8.1%
Segment Operating Margin	15.2%	13.7%	11.5%	16.2%	17.4%			14.9%	15.9%		

Three Months Ended September 30, 2005 and 2004

Eastern Europe, Middle East and Africa Tire unit sales in the 2005 third quarter increased 0.2 million units or 4.9% from the comparable 2004 period primarily related to increased OE unit sales of 0.2 million units or 22.5%

driven by growth in emerging markets.

Net sales increased by $50 million, or 14.5% in the 2005 third quarter compared to 2004 mainly due to price and product mix of approximately $20 million, favorable currency translation of $11 million, increased volume of approximately $11 million, as well as increased retail sales of approximately $6 million.

Operating income in the 2005 third quarter increased by $4 million, or 6.7% from the third quarter of 2004. Operating income for the 2005 period was favorably impacted by price and product mix of approximately $13 million, improved volume of approximately $5 million and foreign currency translation of approximately $3 million. Negatively impacting operating income in the 2005 period was higher raw material costs of approximately $8 million, higher conversion costs of approximately $4 million and higher SAG costs of $5 million.

Nine Months Ended September 30, 2005 and 2004

Unit sales in the first nine months of 2005 increased 0.5 million units or 3.8% from the 2004 period. Replacement volume increased 0.2 million units or 2.0% and OE volume increased 0.3 million units or 12.2%.

For the first nine months of 2005, net sales increased $148 million, or 15.9%, compared to 2004 mainly due to the favorable impact of currency translation of approximately $53 million. Improved volume of approximately $24 million, price and product mix of approximately $51 million, and increased retail sales of approximately $17 million positively impacted sales in the period.

Operating income in the first nine months of 2005 increased by $12 million, or 8.1% from the first nine months of 2004. Operating income for 2005 was favorably impacted by positive foreign currency translation of approximately $22 million, improved volume of approximately $11 million and price and product mix of approximately $40 million, due primarily to price increases across the region and growth in premium brands. Negatively impacting the 2005 period were higher raw material costs of approximately $24 million and lower inter-segment sales volumes, which reduced operating income by approximately $25 million. Also negatively impacting the period were increased SAG costs of approximately $9 million, primarily related to higher advertising and marketing expenses.

Operating income in the first nine months of 2005 did not include a loss on asset sales of $1 million.

Fiscal Years 2004, 2003, 2002

Eastern Europe, Middle East and Africa Tire (Eastern Europe Tire) unit sales in 2004 increased 1.0 million units or 5.2% from 2003 and 2.8 million units or 16.8% from 2002. Replacement unit sales in 2004 increased 0.6 million units or 4.0% from 2003 and 2.1 million units or 15.6% from 2002. Original equipment volume in 2004 increased 0.4 million units or 10.7% from 2003 and 0.7 million units or 22.3% from 2002. Replacement unit sales in 2004 increased from 2003 due primarily to growth in emerging markets. OE unit sales in 2004 increased from 2003 due primarily to growth in the automotive industry in Turkey and South Africa.

Net sales in 2004 increased 19.2% from 2003 and 58.5% from 2002. Net sales in 2004 increased from 2003 due primarily to a benefit of approximately $102 million from currency translation, primarily in South Africa, Poland and Slovenia. In addition, net sales rose by approximately $97 million on improved pricing and mix. Higher overall volume, mainly due to improved economic conditions, increased net sales by $41 million. Negative results in our South African retail business adversely impacted net sales by approximately $32 million, which reflected the net impact of volume, pricing, product mix and currency translation.

Net sales in 2003 increased 33.0% from 2002. Net sales in 2003 increased from 2002 due primarily to a benefit of approximately $156 million from currency translation, primarily in South Africa and Slovenia. Net sales rose by approximately $62 million on higher volume in both the consumer replacement and original equipment markets. In addition, improved pricing, due primarily to a shift in mix toward higher- priced winter and high performance tires, benefited net sales by approximately $48 million.

Operating income in 2004 increased 32.2% from 2003 and 107.9% from 2002. Operating income in 2004 rose from 2003 due primarily to a benefit of approximately $62 million resulting from price increases and a shift in mix toward high performance tires. Operating income increased by approximately $16 million on higher volume, primarily in Turkey, Russia, South Africa and Central Eastern Europe, and by approximately $11 million from the favorable effect of currency translation. Operating income was adversely impacted by higher raw material and conversion costs totaling approximately $28 million. In addition, SAG expense was approximately $16 million higher resulting primarily from increased selling activity in growing and emerging markets.

Operating income in 2003 increased 57.3% from 2002. Operating income increased in 2003 due primarily to a benefit of approximately $33 million from price increases and a shift in mix toward winter and high performance tires. Operating income also benefited by approximately $24 million from higher volume and approximately $15 million from currency translation, mainly in South Africa and Slovenia, and improved conversion costs of approximately $13 million. Operating income was adversely impacted by higher raw material costs of approximately $12 million and higher SAG expense of approximately $12 million, primarily for wages, benefits and advertising.

Operating income did not include net rationalization charges (credits) totaling $3.6 million in 2004, $(0.1) million in 2003 and $(0.4) million in 2002. In addition, operating income did not include losses on asset sales of $0.1 million in 2004.

Latin American Tire

	Year Ended December 31,			Three Months Ended September 30,				Nine Months Ended September 30,			
		Restated									
	2004	2003	2002	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
(In millions)											
Tire Units	19.6	18.7	19.9	5.0	4.9	0.1	2.3%	15.4	14.5	0.9	5.9%
Net Sales	$ 1,245.4	$ 1,041.0	$ 947.7	$ 372	$ 316	$ 56	17.7%	$ 1,101	$ 910	$ 191	21.0%
Segment Operating Income	251.2	148.6	107.6	77	64	13	20.3%	241	187	54	28.9%
Segment Operating Margin	20.2%	14.3%	11.4%	20.7%	20.3%			21.9%	20.5%		

Three Months Ended September 30, 2005 and 2004

Latin American Tire unit sales in the 2005 third quarter increased 0.1 million units or 2.3% from the 2004 period primarily due to an increase in OE volume of 0.1 million units or 8.7%.

Net sales in the 2005 third quarter increased $56 million, or 17.7% from the 2004 period. Net sales increased in 2005 due to favorable impact of currency translation, mainly in Brazil, of approximately $37 million, favorable price and product mix of approximately $14 million and increased volume of approximately $7 million.

Operating income in the third quarter 2005 increased $13 million, or 20.3% from the comparable period in 2004. Operating income was favorably impacted by approximately $19 million related to improved pricing and product mix, as well as approximately $2 million due to increased volumes and approximately $24 million from the favorable impact of currency translation. Increased raw material costs of approximately $29 million and higher conversion costs of approximately $6 million, due primarily to higher compensation costs, negatively impacted operating income compared to the 2004 period.

Nine Months Ended September 30, 2005 and 2004

Unit sales in the first nine months 2005 increased 0.9 million units or 5.9% from the 2004 period. OE volume increased 0.8 million units or 24.2% while replacement units increased 0.1 million units or 0.4%.

For the first nine months of 2005 net sales increased $191 million, or 21.0% from the comparable 2004 period. Net sales increased in 2005 due to improvements in price and product mix of approximately $58 million, volume of approximately $49 million and the favorable impact of currency translation, mainly in Brazil, of approximately $89 million.

Operating income in the first nine months of 2005 increased $54 million, or 28.9% from the comparable period in 2004. Operating income was favorably impacted by approximately $79 million related to improved pricing and product mix and the favorable impact of currency translation of approximately $50 million. Increased raw material costs of approximately $65 million and higher conversion costs of approximately

$12 million, primarily due to higher compensation costs, negatively impacted operating income compared to the 2004 period.

Operating income in the first nine months of 2004 did not include rationalization net charges of $2 million.

Given Latin American Tire s continued contribution to our operating income, significant fluctuations in their sales, operating income and operating margins, may have a disproportionate impact on our consolidated results of operations.

Fiscal Years 2004, 2003 and 2002

Latin American Tire unit sales in 2004 increased 0.9 million units or 5.0% from 2003 but decreased 0.3 million units or 1.6% from 2002. Replacement unit sales in 2004 increased 0.8 million units or 5.3% from 2003 and 0.8 million units or 5.8% from 2002. Original equipment volume in 2004 increased 0.1 million units or 3.9% from 2003 but decreased 1.1 million units or 20.1% from 2002. Replacement unit sales in 2004 increased from 2003 due primarily to improved commercial and consumer demand. OE unit sales in 2004 increased slightly from 2003, reflecting improved commercial volume.

Net sales in 2004 increased 19.6% from 2003 and 31.4% from 2002. Net sales in 2004 increased from 2003 due primarily to a benefit of approximately $134 million from price increases and improved product mix in the replacement market. Net sales rose by approximately $60 million on higher volume and approximately $7 million from currency translation.

Net sales in 2003 increased 9.8% from 2002. Net sales increased in 2003 due primarily to a benefit of approximately $212 million from improved pricing and product mix. Currency translation, mainly in Brazil and Venezuela, adversely impacted net sales by approximately $79 million, and lower volume, primarily in the consumer and commercial original equipment markets, adversely impacted net sales by approximately $38 million.

Operating income in 2004 increased 69.0% from 2003 and 133.5% from 2002. Operating income in 2004 increased from 2003 due primarily to a benefit of approximately $126 million from improved pricing and product mix in the replacement market. Operating income benefited by approximately $13 million from higher volume and $5 million from savings from rationalization programs. Operating income was adversely impacted by higher raw material and conversion costs totaling approximately $41 million and approximately $2 million from currency translation. In addition, SAG expense rose by approximately $11 million, due primarily to increased wages and benefits and advertising expenses.

Operating income in 2003 (as restated) increased 38.1% from 2002. Operating income in 2003 rose due primarily to a benefit of approximately $134 million from improved pricing and product mix, and a benefit of approximately $3 million from higher volume. Operating income was adversely impacted by higher raw material costs of approximately $50 million and by approximately $20 million from currency translation, primarily in Brazil and Venezuela. In addition, conversion costs related to utilities rose by approximately $12 million and SAG expense was higher by approximately $11 million, due primarily to expenses related to airships, doubtful accounts and wages and benefits.

Operating income did not include net rationalization charges (credits) totaling $(1.7) million in 2004 and $10.0 million in 2003. In addition, operating income did not include (gains) losses on asset sales of $(2.0) million in 2003 and $(13.7) million in 2002.

Asia/ Pacific Tire

	Year Ended December 31,			Three Months Ended September 30,				Nine Months Ended September 30,			
		Restated									
(In millions)	2004	2003	2002	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
Tire Units	19.5	13.4	13.0	5.2	4.9	0.3	6.3%	15.1	14.6	0.5	2.9%
Net Sales	$ 1,312.0	$ 581.8	$ 531.3	$ 356	$ 319	$ 37	11.6%	$ 1,065	$ 970	$ 95	9.8%
Segment Operating Income	61.1	49.9	43.7	24	19	5	26.3%	63	44	19	43.2%
Segment Operating Margin	4.7%	8.6%	8.2%	6.7%	6.0%			5.9%	4.5%		

Three Months Ended September 30, 2005 and 2004

Asia/ Pacific Tire unit sales in the 2005 third quarter increased 0.3 million units or 6.3% from the 2004 period. OE volume increased 0.4 million units or 29.0% while replacement units decreased 0.1 million units, or 1.7%.

Net sales in the 2005 quarter increased $37 million, or 11.6% compared to the 2004 period due to favorable currency translation of approximately $14 million, a volume increase of approximately $16 million and net favorable price and mix of approximately $3 million.

Operating income in the third quarter of 2005 increased $5 million, or 26.3% compared to the 2004 period due to improved price and product mix of approximately $13 million and higher volume of approximately $4 million, offset in part by raw material cost increases of $11 million.

Nine Months Ended September 30, 2005 and 2004

Unit sales in the first nine months 2005 increased 0.5 million units or 2.9% from the 2004 period. Replacement volume decreased 0.3 million units or 2.9% while OE volume increased 0.8 million units or 19.3%.

Net sales in the first nine months of 2005 increased $95 million, or 9.8% compared to the first nine months of 2004 due to favorable price and product mix of approximately $30 million, favorable currency translation of approximately $38 million and increased volume of approximately $23 million.

Operating income in the first nine months of 2005 increased $19 million, or 43.2% compared to the 2004 period due to improved price and product mix of approximately $36 million, driven by price increases to offset raw material costs, and non-recurring FIN 46 related charges of approximately $7 million in 2004, offset in part by raw material cost increases of $32 million and higher SAG costs of $2 million. Also positively impacting income for the period were increased volume of approximately $5 million and favorable foreign currency translation of approximately $2 million.

Operating income for the first nine months of 2005 did not include rationalization net reversals of $2 million.

Fiscal Years 2004, 2003 and 2002

Asia/ Pacific Tire unit sales in 2004 increased 6.1 million units or 45.5% from 2003 and 6.5 million units or 52.4% from 2002. Replacement unit sales in 2004 increased 5.4 million units or 60.0% from 2003 and 5.4 million units or 58.4% from 2002. Original equipment volume in 2004 increased 0.7 million units or 15.6% from 2003 and 1.1 million units or 37.4% from 2002. Unit sales in 2004 increased by 5.5 million replacement units and 0.8 million OE units due to the consolidation of South Pacific Tyres, as discussed below. Excluding the impact of SPT, replacement unit volume increased slightly, and OE volume decreased due primarily to lower consumer volume.

Effective January 1, 2004, Asia/ Pacific Tire includes the operations of South Pacific Tyres, an Australian Partnership, and South Pacific Tyres N.Z. Limited, a New Zealand company (together, SPT), joint ventures 50% owned by Goodyear and 50% owned by Ansell Ltd. SPT is the largest tire manufacturer in

Australia and New Zealand, with two tire manufacturing plants and 14 retread plants. SPT sells Goodyear- brand, Dunlop-brand and other house and private brand tires through its chain of 417 retail stores, commercial tire centers and independent dealers.

Net sales in 2004 increased 125.5% from 2003 and 146.9% from 2002. Net sales in 2004 increased from 2003 due primarily to the consolidation of SPT, which benefited 2004 sales by $707.4 million. Net sales also rose by approximately $32 million due to improved pricing and product mix, but were adversely impacted by lower volume excluding SPT of $18 million.

Net sales in 2003 increased 9.5% from 2002. Net sales increased in 2003 due primarily to a benefit of approximately $29 million from increased volume, largely a result of strong original equipment demand. Net sales also increased by approximately $16 million due to currency translation, primarily in India and Australia.

Operating income in 2004 increased 22.4% from 2003 and 39.8% from 2002. Operating income in 2004 increased from 2003 due primarily to a benefit of approximately $25 million from price increases and improved product mix, and a reduction in conversion costs of approximately $4 million. Operating income was adversely impacted by higher raw material costs totaling approximately $22 million and approximately $3 million from lower volume. In addition, SAG expenses rose by approximately $6 million. The consolidation of SPT increased Asia/ Pacific Tire operating income by approximately $11.7 million in 2004; however, it reduced operating margin to 4.7% in 2004 from 8.6% in 2003.

Operating income in 2003 (as restated) increased 14.2% from 2002. Operating income in 2003 increased due primarily to a benefit of approximately $14 million from improved consumer and farm product mix and higher selling prices in both replacement and original equipment markets. In addition, operating income increased by approximately $8 million due to currency translation and approximately $7 million due to increased volume in the original equipment market. Operating income was favorably affected in 2003 by approximately $3 million due to increased sales of miscellaneous products and improved equity income. Operating income was adversely impacted by higher raw material costs of approximately $27 million.

Operating income did not include net rationalization charges (credits) totaling $(1.7) million in 2002. In addition, operating income did not include (gains) losses on asset sales of $(2.1) million in 2003.

Prior to 2004, results of operations of SPT were not included in Asia/ Pacific Tire, and were included in the Consolidated Statement of Operations using the equity method.

SPT operating income in 2003 increased substantially from 2002 due primarily to the benefits of the rationalization programs in the prior years. SPT operating income did not include net rationalization charges (credits) totaling $8.7 million in 2003 and $3.2 million in 2002. SPT debt totaled $255.2 million at December 31, 2003 of which $72.0 million was payable to Goodyear.

Engineered Products

	Year Ended December 31,			**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
		Restated									
	2004	**2003**	**2002**	**2005**	**2004**	**Change**	**Percent Change**	**2005**	**2004**	**Change**	**Percent Change**
(In millions)											
Net Sales	$ 1,471.3	$ 1,204.7	$ 1,127.5	$ 407	$ 379	$ 28	7.4%	$ 1,236	$ 1,091	$ 145	13.3%
Segment Operating Income	113.2	46.8	39.0	27	34	(7)	(20.6)%	78	89	(11)	(12.4)%
Segment Operating Margin	7.7%	3.9%	3.5%	6.6%	9.0%			6.3%	8.2%		

Three Months Ended September 30, 2005 and 2004

Engineered Products sales increased $28 million, or 7.4% in the third quarter of 2005 from 2004 levels due to improved price and product mix of approximately $19 million and the favorable effect of currency translation of approximately $11 million.

Operating income decreased $7 million, or 20.6% in the third quarter of 2005 compared to the 2004 period due primarily to increased conversion costs of approximately $10 million, higher raw material costs of approximately $7 million, and higher SAG expense of approximately $3 million primarily due to higher bad debt expenses. Also negatively impacting earnings in the period were higher freight costs of $3 million. Operating income was favorably impacted by improved volume of approximately $3 million and improved price and product mix of approximately $15 million.

Operating income did not include $3 million and $23 million of rationalization net charges for the three months ended September 30, 2005 and 2004, respectively.

Nine Months Ended September 30, 2005 and 2004

Sales increased $145 million, or 13.3% in the first nine months of 2005 from 2004 due to improved volume of approximately $83 million, mainly in the industrial and military channels, improved price and product mix of approximately $33 million and the favorable effect of currency translation of approximately $30 million.

Operating income decreased $11 million, or 12.4% in the first nine months of 2005 compared to the 2004 period due primarily to increased conversion costs of approximately $22 million, higher raw material costs of approximately $21 million and higher SAG expense of approximately $13 million primarily due to higher compensation, consulting and bad debt expenses. Higher product liability expenses and freight costs aggregating $8 million also contributed to the decrease in operating income. Operating income was favorably impacted by improved volume of approximately $35 million and price and product mix of $16 million.

Operating income did not include rationalization net charges of $3 million and $23 million for the nine months ended September 30, 2005 and 2004, respectively. Operating income for the first nine months of 2004 did not include a gain on the sale of assets of $1 million.

On September 20, 2005 we announced that we are exploring the possible sale of our Engineered Products business.

Fiscal Years 2004, 2003 and 2002

Engineered Products sales in 2004 increased 22.1% from 2003 and 30.5% from 2002. Net sales in 2004 increased from 2003 due primarily to a benefit of approximately $194 million resulting from increased volume and approximately $37 million from improved pricing and product mix, each largely as a result of strong sales to military and OE industrial and heavy duty customers. Net sales also rose by approximately $35 million from currency translation. We expect military sales to remain strong in 2005, but anticipate a reduction in such sales in 2006.

Net sales in 2003 increased 6.8% from 2002. Net sales increased in 2003 due primarily to a benefit of approximately $39 million from currency translation. Net sales rose by approximately $30 million on increased military sales and approximately $8 million on improved pricing and mix.

Operating income in 2004 increased 141.9% from 2003 and 190.3% from 2002. Operating income in 2004 increased from 2003 due primarily to a benefit of approximately $75 million from increased volume, largely in military and industrial products. Operating income also reflected savings from rationalization programs of approximately $24 million. SAG was approximately $18 million higher and conversion costs rose approximately $10 million. Operating income in 2003 (as restated) was adversely impacted by charges totaling approximately $19 million related to account reconciliation adjustments in the restatement reported in our 2003 Form 10-K.

Operating income in 2003 (as restated) increased 20.0% from 2002. Operating income in 2003 increased due primarily to benefits of approximately $8 million from increased military sales, lower raw material costs of approximately $5 million, and currency translation of approximately $5 million. The previously mentioned change in the domestic salaried vacation policy also favorably affected 2003 operating income by approximately $8 million. Operating income in 2003 was adversely impacted by unfavorable price/mix of approximately $11 million due to increased sales of original equipment and heavy duty product, and higher SAG costs (excluding the impact of the vacation policy change) of approximately $9 million, primarily related to increased sales efforts. As previously mentioned, operating income in 2003 included charges totaling approximately $19 million related to account reconciliation adjustments in previously-mentioned restatement reported in our 2003 Form 10-K.

Operating income did not include net rationalization charges totaling $22.8 million in 2004, $29.4 million in 2003 and $4.6 million in 2002. In addition, operating income did not include (gains) losses on asset sales of $(2.5) million in 2004, $6.3 million in 2003 and $(0.6) million in 2002.

Liquidity and Capital Resources

At September 30, 2005, we had $1,662 million in cash and cash equivalents as well as $1,672 million of unused availability under our various credit agreements, compared to $1,968 million and $1,116 million, respectively, at December 31, 2004. Cash and cash equivalents do not include restricted cash. Restricted cash primarily consists of Goodyear contributions made related to the settlement of the Entran II litigation and proceeds received pursuant to insurance settlements. In addition, we will, from time to time, maintain balances on deposit at various financial institutions as collateral for borrowings incurred by various subsidiaries, as well as cash deposited in support of trade agreements and performance bonds. At September 30, 2005, cash balances totaling $215 million were subject to such restrictions, compared to $152 million at December 31, 2004. The increase was primarily due to a receipt of insurance settlements subject to restrictions, received in the second quarter of 2005.

Operating Activities

Cash flow provided by operating activities was $189 million in the first nine months of 2005, an improvement of $171 million from the comparable prior year period. The improvement was primarily driven by net income of $279 million during the first nine months of 2005 compared to a net loss of $10 million in the first nine months of 2004, and a favorable net working capital change, partially offset by higher pension contributions of $213 million.

Investing Activities

Cash flow used in investing activities of $224 million decreased by $66 million from the comparable period, primarily due to the receipt of higher sales proceeds from asset sales of $132 million in the first nine months of 2005. The higher sales proceeds primarily related to the sale of Wingtack and our natural rubber plantations. These proceeds were offset by higher capital expenditures of $92 million. 2005 capital expenditures of $370 million primarily represents spending for plant upgrades and expansions and new tire molds. We expect full year 2005 capital expenditures to be approximately $650 million.

Financing Activities

Cash flows used in financing activities during the first nine months of 2005, was approximately $225 million compared to $349 million of cash generated in the comparable period of 2004. The change primarily reflects the repayment of net debt of $97 million in 2005 compared to $485 million of net debt issued in 2004.

Credit Sources

In aggregate, we had committed and uncommitted credit facilities of $7,544 million available at September 30, 2005, of which $1,672 million were unused, compared to $7,295 million available at December 31, 2004, of which $1,116 million were unused.

$400 Million Senior Notes Offering and Repayment of $6^3/8$% Euro Notes due 2005

On June 23, 2005, we completed an offering of $400 million aggregate principal amount of 9.00% Senior Notes due 2015 in a transaction under Rule 144A and Regulation S of the Securities Act of 1933. The senior notes are guaranteed by our U.S. and Canadian subsidiaries that also guarantee our obligations under our senior secured credit facilities. The guarantee is unsecured. The proceeds were used to repay $200 million in borrowings under our U.S. first lien revolving credit facility, and to replace $190 million of the cash, that we used to pay the $516 million principal amount of our $6^{3}/8$% Euro Notes due 2005 at maturity on June 6, 2005. In conjunction with the debt issuance, we paid fees of approximately $10 million, which will be amortized over the term of the notes.

The Indenture governing the senior notes limits our ability and the ability of certain of our subsidiaries to (i) incur additional debt or issue redeemable preferred stock, (ii) pay dividends, or make certain other restricted payments or investments, (iii) incur liens, (iv) sell assets, (v) incur restrictions on the ability of our subsidiaries to pay dividends to us, (vi) enter into affiliate transactions, (vii) engage in sale and leaseback transactions, and (viii) consolidate, merge, sell or otherwise dispose of all or substantially all of our assets. These covenants are subject to significant exceptions and qualifications. For example, if the senior notes are assigned an investment grade rating by Moody s and S&P and no default has occurred or is continuing, certain covenants will be suspended.

April 8, 2005 Refinancing

As previously reported, on April 8, 2005 we completed a refinancing in which we replaced approximately $3.28 billion of credit facilities with new facilities aggregating $3.65 billion. The new facilities consist of:

a $1.5 billion first lien credit facility due April 30, 2010 (consisting of a $1.0 billion revolving facility and a $500 million deposit-funded facility);

a $1.2 billion second lien term loan facility due April 30, 2010;

the Euro equivalent of approximately $650 million in credit facilities for Goodyear Dunlop Tires Europe B.V. (GDTE) due April 30, 2010 (consisting of approximately $450 million in revolving facilities and approximately $200 million in term loan facilities); and

a $300 million third lien term loan facility due March 1, 2011.

In connection with the refinancing, we paid down and retired the following facilities:

our $1.3 billion asset-based credit facility, due March 2006 (the $800 million term loan portion of this facility was fully drawn prior to the refinancing);

our $650 million asset-based term loan facility, due March 2006 (this facility was fully drawn prior to the refinancing);

our $680 million deposit-funded credit facility due September 2007 (there were $492 million of letters of credit outstanding under this facility prior to the refinancing); and

our $650 million senior secured European facilities due April 2005 (the $400 million term loan portion of this facility was fully drawn prior to the refinancing).

In conjunction with the refinancing, we paid fees of approximately $57 million. In addition, we paid approximately $20 million of termination fees associated with the replaced facilities. We recognized approximately $47 million of expense in the second quarter to write-off fees associated with the refinancing, including approximately $30 million of previously unamortized fees related to the replaced facilities. The remaining fees will be amortized over the term of the new facilities.

$1.5 Billion First Lien Credit Facility

The $1.5 billion first lien credit facility consists of a $1.0 billion revolving facility and a $500 million deposit-funded facility. Our obligations under these facilities are guaranteed by most of our wholly-owned U.S. subsidiaries and by our wholly-owned Canadian subsidiary, Goodyear Canada Inc. Our obligations under this facility and our subsidiaries obligations under the related guarantees are secured by first priority security interests in a variety of collateral.

With respect to the deposit-funded facility, the lenders deposited the entire $500 million of the facility in an account held by the administrative agent, and those funds are used to support letters of credit or borrowings on a revolving basis, in each case subject to customary conditions. The full amount of the deposit-funded facility is available for the issuance of letters of credit or for revolving loans. As of September 30, 2005, there were $498 million of letters of credit issued under the deposit-funded facility. There were no borrowings under the facility at September 30, 2005.

$1.2 Billion Second Lien Term Loan Facility

Our obligations under this facility are guaranteed by most of our wholly-owned U.S. subsidiaries and by our wholly-owned Canadian subsidiary, Goodyear Canada Inc. and are secured by second priority security interests in the same collateral securing the $1.5 billion asset-based credit facility. As of September 30, 2005 this facility was fully drawn.

$300 Million Third Lien Secured Term Loan Facility

Our obligations under this facility are guaranteed by most of our wholly-owned U.S. subsidiaries and by our wholly-owned Canadian subsidiary, Goodyear Canada Inc. and are secured by third priority security interests in the same collateral securing the $1.5 billion asset-based credit facility (however, the facility is not secured by any of the manufacturing facilities that secure the first and second lien facilities). As of September 30, 2005, this facility was fully drawn.

Euro Equivalent of $650 Million (505 Million) Senior Secured European Credit Facilities

These facilities consist of (i) a 195 million European revolving credit facility, (ii) an additional 155 million German revolving credit facility, and (iii) 155 million of German term loan facilities. We secure the U.S. facilities described above and provide unsecured guarantees to support these facilities. GDTE and certain of its subsidiaries in the United Kingdom, Luxembourg, France and Germany also provide guarantees. GDTE s obligations under the facilities and the obligations of subsidiary guarantors under the related guarantees are secured by a variety of collateral. As of September 30, 2005, there were $4 million of letters of credit issued under the European revolving credit facility, $187 million was drawn under the German term loan facilities and there were no borrowings under the German or European revolving credit facilities.

For a description of the collateral securing the above facilities as well as the covenants applicable to them, please refer to the unaudited interim financial statements Note 5, Financing Arrangements.

Consolidated EBITDA (per Credit Agreements)

Under our primary credit facilities we are not permitted to fall below a ratio of 2.00 to 1.00 of Consolidated EBITDA to Consolidated Interest Expense (as such terms are defined in each of the relevant credit facilities) for any period of four consecutive fiscal quarters. In addition, our ratio of Consolidated Net Secured Indebtedness to Consolidated EBITDA (as such terms are defined in each of the relevant credit facilities) is not permitted to be greater than 3.50 to 1.00 at any time.

Consolidated EBITDA is a non-GAAP financial measure that is presented not as a measure of operating results, but rather as a measure under our debt covenants. It should not be construed as an alternative to either (i) income from operations or (ii) cash flows from operating activities. Our failure to comply with the financial covenants in our credit facilities could have a material adverse effect on our liquidity and operations. Accordingly, we believe that the presentation of Consolidated EBITDA will provide investors with information needed to assess our ability to continue to comply with these covenants.

The following table presents the calculation of EBITDA and Consolidated EBITDA for the three and nine month periods ended September 30, 2005 and 2004. Other companies may calculate similarly titled measures differently than we do. Certain line items are presented as defined in the restructured credit facilities, and do not reflect amounts as presented in the Consolidated Statement of Income.

	Year Ended December 31,			Three Months Ended September 30,		Nine Months Ended September 30,	
		Restated					
	2004	2003	2002	2005	2004	2005	2004
(In millions)							
Net Income (Loss)	$ 114.8	$ (807.4)	$ (1,246.9)	$ 142	$ 38	$ 279	$ (10)
Interest Expense	368.8	296.3	242.7	103	95	306	268
Income Tax	207.9	117.1	1,227.9	71	29	223	145
Depreciation and Amortization Expense	628.7	691.6	605.3	171	151	478	461
EBITDA	1,320.2	297.6	829.0	487	313	1,286	864
Credit Agreement Adjustments:							
Other (Income) and Expense	1.9	342.6	9.8	(35)	35	(5)	109
Minority Interest in Net Income (Loss) of Subsidiaries	57.8	32.8	55.6	25	18	79	43
Consolidated Interest Expense Adjustment	10.0	18.3	28.1	1	3	3	8
Non-Cash Recurring Items		54.7					
Rationalizations	55.6	291.5	5.5	9	29	(4)	63
Less Excess Cash Rationalization Charges(1)		(12.9)					
Consolidated EBITDA	$ 1,445.5	$ 1,024.6	$ 928.0	$ 487	$ 398	$ 1,359	$ 1,087

(1) Excess Cash Rationalization charges is defined in our credit facilities then in effect and only contemplates cash expenditures with respect to rationalization charges recorded on the Consolidated Statement of Income after April 1, 2003. Amounts incurred prior to April 1, 2003 were not included.

Other Foreign Credit Facilities

At September 30, 2005, we had short-term committed and uncommitted bank credit arrangements totaling $462 million, of which $210 million were unused, compared to $339 million and $182 million at December 31, 2004. The continued availability of these arrangements is at the discretion of the relevant lender, and a portion of these arrangements may be terminated at any time.

International Accounts Receivable Securitization Facilities (On-Balance-Sheet)

On December 10, 2004, GDTE and certain of its subsidiaries entered into a new five-year pan-European accounts receivable securitization facility. The facility initially provided 165 million (approximately $225 million) of funding. The facility was subsequently expanded to 275 million (approximately $331 million) and is subject to customary annual renewal of back-up liquidity lines.

As of September 30, 2005, the amount outstanding and fully utilized under this program was $331 million compared to $225 million as of December 31, 2004.

In addition to the pan-European accounts receivable securitization facility discussed above, SPT and other subsidiaries in Australia have accounts receivable programs totaling $58 million and $63 million at September 30, 2005 and December 31, 2004, respectively.

International Accounts Receivable Securitization Facilities (Off-Balance-Sheet)

Various other international subsidiaries have also established accounts receivable continuous sales programs. At September 30, 2005 and December 31, 2004, proceeds available to these subsidiaries from the sale of certain of their receivables totaled $5 million. These subsidiaries retain servicing responsibilities.

Registration Obligations

We are a party to three registration rights agreements in connection with our private placement of $350 million of convertible notes in July 2004, $650 million of senior secured notes in March 2004, and $400 million of senior notes in June 2005.

The registration rights agreement for the convertible notes requires us to pay additional interest to investors if we fail to file a registration statement to register the convertible notes by November 7, 2004, or if such registration statement is not declared effective by the SEC by December 31, 2004. The additional interest to investors is at a rate of 0.25% per year for the first 90 days and 0.50% per year thereafter. Although we filed a registration statement on Form S-1 for the convertible notes on August 29, 2005, we will continue to pay additional interest until such time as the registration statement is declared effective. As of September 30, 2005, the additional interest associated with the convertible notes was 0.50%.

The registration rights agreement for the $650 million of senior secured notes issued in March 2004, requires us to pay additional interest to investors if a registered exchange offer for the notes is not completed by December 7, 2004. Although we filed a registration statement on Form S-4 on October 11, 2005 for the purpose of registering an exchange offer for the senior secured notes, we will continue to pay additional interest until the exchange offer is completed. The additional interest to investors is at a rate of 1.00% per year for the first 90 days, increasing in increments of 0.25% every 90 days thereafter, to a maximum of 2.00% per year. If the rate of additional interest payable reaches 2.00% per year then the interest rate for the secured notes will be permanently increased by 0.25% per annum after the exchange offer is completed. As of September 30, 2005, the additional interest associated with the senior secured notes was 1.75%.

The registration rights agreement for the $400 million of senior notes issued in June 2005, requires us to pay additional interest to investors if an exchange offer is not completed by March 20, 2006. The annual interest rate borne by the notes will be increased by 0.25% per annum and an additional 0.25% per annum every 90 days thereafter, up to a maximum additional cash interest of 1.00% per annum, until the exchange offer is completed, the registration statement is declared effective, or the notes become freely tradable under the Securities Act. On October 11, 2005, we filed a registration statement on Form S-4 for the purpose of registering an exchange offer for the notes.

Credit Ratings

Our credit ratings as of the date of this filing are presented below:

	S&P	**Moody s**
$1.5 Billion First Lien Credit Facility	BB	Ba3
$1.2 Billion Second Lien Term Loan Facility	B+	B2
$300 Million Third Lien Secured Term Loan Facility	B-	B3
European Facilities	B+	B1
$650 Million Senior Secured Notes due 2011	B-	B3
Corporate Rating (implied)	B+	B1
Senior Unsecured Debt	B-	
Outlook	Stable	Stable

Although we do not request ratings from Fitch, the rating agency rates our secured debt facilities (ranging from B+ to B- depending on facility) and our unsecured debt (CCC+).

As a result of these ratings and other related events, we believe that our access to capital markets may be limited. Unless our debt credit ratings and operating performance improve, our access to the credit markets in the future may be limited. Moreover, a reduction in our credit ratings would further increase the cost of any financing initiatives we may pursue.

A rating reflects only the view of a rating agency, and is not a recommendation to buy, sell or hold securities. Any rating can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

Potential Future Financings

In addition to our previous financing activities, we plan to undertake additional financing actions in the capital markets in order to ensure that our future liquidity requirements are addressed. These actions may include the issuance of additional equity.

Because of our debt ratings, operating performance over the past few years and other factors, access to the capital markets cannot be assured. Our ongoing ability to access the capital markets is also dependent on the degree of success we have implementing our North American Tire turnaround strategy. Successful implementation of the turnaround strategy is also crucial to ensuring that we have sufficient cash flow from operations to meet our obligations. While we have made progress in implementing the turnaround strategy, there is no assurance that our progress will continue, or that we will be able to sustain any future progress to a degree sufficient to maintain access to capital markets and meet liquidity requirements. As a result, failure to complete the turnaround strategy successfully could have a material adverse effect on our financial position, results of operations and liquidity.

Future liquidity requirements also may make it necessary for us to incur additional debt. However, a substantial portion of our assets is already subject to liens securing our indebtedness. As a result, we are limited in our ability to pledge our remaining assets as security for additional secured indebtedness. In addition, unless we sustain or improve our financial performance, our ability to raise unsecured debt may be limited.

Dividends

On February 4, 2003, we announced that we eliminated our quarterly cash dividend. The dividend reduction was decided on by the Board of Directors in order to conserve cash. Under the credit facilities entered into in the April 8, 2005 refinancing, we are permitted to pay dividends on our common stock of $10 million or less in any fiscal year. This limit increases to $50 million in any fiscal year if Moody s senior (implied) rating and Standard & Poor s (S&P) corporate rating improve to Ba2 or better and BB or better, respectively.

Asset Dispositions

On August 9, 2005, we announced the completion of the sale of our natural rubber plantations in Indonesia at a purchase price of approximately $62 million, subject to post-closing adjustments. On September 1, 2005, we announced that we had completed the sale of our Wingtack adhesive resins business to Sartomer Company, Inc. We received approximately $55 million in cash proceeds and retained approximately $10 million in working capital in connection with the Wingtack sale. In addition, the sales agreement provides for a three-year earnout whereby we may receive additional consideration ($5 million per year, $15 million aggregate) for the sale based on future operating performance of the business. We are also awaiting the necessary approvals to complete the sale of assets of our North American farm tire business to Titan International for approximately $100 million. In connection with the transaction, we expect to record a loss of approximately $70 million on the sale, primarily related to pension and retiree medical costs. Also, on September 20, 2005, we announced that we are exploring the possible sale of our Engineered Products business. Engineered Products manufactures and markets engineered rubber products for industrial, military, consumer and transportation original equipment end-users.

Commitments & Contingencies

The following table presents, at September 30, 2005, our obligations and commitments to make future payments under contracts and contingent commitments.

	Payment Due by Period as of September 30, 2005						
(In millions)	Total	1 Year	2 Years	3 Years	4 Years	5 Years	After 5 Years
Long Term Debt(1)	$ 5,370	$ 497	$ 518	$ 100	$ 4	$ 1,720	$ 2,531
Capital Lease Obligations(2)	111	12	13	13	12	12	49
Interest Payments(3)	2,465	385	345	328	325	274	808
Operating Leases(4)	1,468	321	258	193	144	108	444
Pension Benefits(5)	1,215	490	725	(5)	(5)	(5)	(5)
Other Postretirement Benefits(6)	2,284	264	262	252	243	233	1,030
Workers Compensation(7)	345	66	49	36	25	19	150
Binding Commitments(8)	1,160	930	41	27	25	20	117
Total Contractual Cash Obligations	$ 14,418	$ 2,965	$ 2,211	$ 949	$ 778	$ 2,386	$ 5,129

(1) Long term debt payments include notes payable and reflect long term debt maturities as of September 30, 2005.

(2) The present value of capital lease obligations is $78 million.

(3) These amounts represent future interest payments related to our existing debt obligations as of September 30, 2005 based on fixed and variable interest rates specified in the associated debt agreements. Payments related to variable debt are based on the six-month LIBOR rate at September 30, 2005 plus the specified margin in the associated debt agreements for each period presented. The amounts provided relate only to existing debt obligations and do not assume the refinancing or replacement of such debt.

(4) Operating leases do not include minimum sublease rentals of $50 million, $42 million, $34 million, $24 million, $16 million and $27 million in each of the periods above, respectively, for a total of $193 million. Payments, net of minimum sublease rentals total $1,275 million. The present value of the net operating lease payments is $899 million. The operating leases relate to, among other things, computers and office equipment, real estate and miscellaneous other assets. No asset is leased from any related party.

(5) The obligation related to pension benefits is actuarially determined and is reflective of obligations as of December 31, 2004. Although subject to change, the amounts set forth in the table represent our estimated funding requirements in 2005 and 2006 for domestic defined benefit pension plans under ERISA, and approximately $82 million of expected contributions to our funded international pension plans in 2005. The expected contributions are based upon a number of assumptions, including:
an ERISA liability interest rate of 6.10% for 2005 and 5.08% using a Treasury bond basis for 2006, and

plan asset returns of 8.5% in 2005.

At the end of 2005, the current interest rate relief measures used for domestic pension funding calculations expire. If current measures are extended, we estimate that required contributions in 2006 will be in the range of $550 million to $600 million. If new legislation is not enacted, the interest rate used for 2006 and beyond will be based upon a 30-year U.S. Treasury bond rate, as calculated and published by the U.S. government as a proxy for the rate that could be attained if 30-year Treasury bonds were currently being issued. Using an estimate of these rates would result in estimated required contributions during 2006 in the range of $700 million to $750 million. The estimated amount set forth in the table for 2006 represents the midpoint of this range. We likely will be subject to additional statutory minimum funding requirements after 2006. We are not able to reasonably estimate our future required contributions beyond 2006 due to uncertainties regarding significant assumptions involved in estimating future required contributions to our defined benefit pension plans, including:

- interest rate levels,
- the amount and timing of asset returns,
- what, if any, changes may occur in legislation, and
- how contributions in excess of the minimum requirements could impact the amounts and timing of future contributions.

We expect the amount of contributions required in years beyond 2006 will be substantial.

(6) The payments presented above are expected payments for the next 10 years. The payments for other postretirement benefits reflect the estimated benefit payments of the plans using the provisions currently in effect. We reserve the right to modify or terminate the plans at any time. The obligation related to other postretirement benefits is actuarially determined on an annual basis. The estimated payments have been reduced to reflect the provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

(7) The payments for workers compensation are based upon recent historical payment patterns. The present value of anticipated payments for workers compensation is $258 million.

(8) Binding commitments are for our normal operations and are related primarily to obligations to acquire land, buildings and equipment. In addition, binding commitments include obligations to purchase raw materials through short-term supply contracts at fixed prices or at a formula price related to market prices or negotiated prices.

Additional other long-term liabilities include items such as income taxes, general and product liabilities, environmental liabilities and miscellaneous other long-term liabilities. These other liabilities are not contractual obligations by nature. We cannot, with any degree of reliability, determine the years in which these liabilities might ultimately be settled. Accordingly, these other long-term liabilities are not included in the above table.

In addition, the following contingent contractual obligations, the amounts of which cannot be estimated, are not included in the table above:

- The terms and conditions of our global alliance with Sumitomo as set forth in the Umbrella Agreement between Sumitomo and us provide for certain minority exit rights available to Sumitomo commencing in 2009. In addition, the occurrence of certain other events enumerated in the Umbrella Agreement, including certain bankruptcy events or changes in control of us, could trigger a right of Sumitomo to require us to purchase these interests immediately. Sumitomo s exit rights, in the unlikely event of exercise, could require us to make a substantial payment to acquire Sumitomo s interest in the alliance.
- Pursuant to an agreement entered into in 2001, Ansell Ltd. (Ansell) has the right, during the period beginning August 13, 2005 and ending August 14, 2006, to require us to purchase Ansell s 50% interest in SPT. The purchase price is a formula price based on the earnings of SPT, subject to various adjustments. If Ansell does not exercise its right, we may require Ansell to sell its interest to us during the 180 days following the expiration of Ansell s right at a price established using the same formula.
- Pursuant to an agreement entered into in 2001, we shall purchase minimum amounts of carbon black from a certain supplier from January 1, 2003 through December 31, 2006, at agreed upon base prices that are subject to quarterly adjustments for changes in raw material costs and natural gas costs and a one-time adjustment for other manufacturing costs.

We do not engage in the trading of commodity contracts or any related derivative contracts. We generally purchase raw materials and energy through short-term, intermediate and long term supply contracts at fixed prices or at formula prices related to market prices or negotiated prices. We will, however, from time to time, enter into contracts to hedge our energy costs.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (1) made guarantees, (2) a retained or a contingent interest in transferred assets, (3) an obligation under certain derivative instruments or (4) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to a company, or that engages in leasing, hedging or research and development arrangements with the company. The following table presents off-balance sheet arrangements at September 30, 2005.

		Amount of Commitment Expiration per Period					
(In millions)	**Total**	**1st Year**	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	**Thereafter**
Customer Financing Guarantees	$ 6	$ 2	$ 1	$	$ 1	$	$ 2
Affiliate Financing Guarantees	2	2					
Other Guarantees	1	1					
Off-Balance Sheet Arrangements	$ 9	$ 5	$ 1	$	$ 1	$	$ 2

Recently Issued Accounting Standards

The FASB has issued Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (SFAS 123R). Under the provisions of SFAS 123R, companies are required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exception). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. On April 14, 2005, the Securities and Exchange Commission (SEC) approved a delay to the effective date of SFAS 123R. Under the new SEC rule, SFAS 123R is effective for annual periods that begin after June 15, 2005. SFAS 123R applies to all awards granted, modified, repurchased or cancelled by us after December 31, 2005 and to unvested options at the date of adoption. We do not expect the adoption of SFAS 123R to have a material impact on our results of operations, financial position or liquidity.

The FASB has issued Statement of Financial Accounting Standards No. 151, Inventory Costs an amendment of ARB No. 43, Chapter 4 (SFAS 151). The provisions of SFAS 151 are intended to eliminate narrow differences between the existing accounting standards of the FASB and the International Accounting Standards Board (IASB) related to inventory costs, in particular, the treatment of abnormal idle facility expense, freight, handling costs and spoilage. SFAS 151 requires that these costs be recognized as current period charges regardless of the extent to which they are considered abnormal. The provisions of SFAS 151 are effective for inventory costs incurred during fiscal years beginning after June 15, 2005. We are currently assessing the potential impact of implementing SFAS 151 on the consolidated financial statements.

FASB Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations (FIN 47) an interpretation of FASB Statement No. 143, Accounting for Asset Retirement Obligations (SFAS 143), clarifies the term conditional asset retirement obligation as used in SFAS 143. The term refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Thus, the timing and (or) method of settlement may be conditional on a future event. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the conditional asset retirement obligation should be recognized when incurred generally upon acquisition, construction, or development and (or) through the normal operation of the asset. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 is effective for fiscal years ending after December 15, 2005. Retrospective application for interim financial information is permitted but is not required. We are currently evaluating the impact of FIN 47 on the consolidated financial statements and will implement this new standard for the year ended December 31, 2005, in accordance with its requirements.

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections. SFAS No. 154 is a replacement of APB No. 20 and FASB Statement No. 3. SFAS No. 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application as the required method for reporting a change in accounting principle. SFAS No. 154 provides guidance for determining whether retrospective application of a change in accounting principle is impracticable and for reporting a change when retrospective application is impracticable. The reporting of a correction of an error by restating previously issued financial statements is also addressed by SFAS No. 154. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 31, 2005. The Company will adopt this pronouncement beginning in fiscal year 2006.

In June 2005, the FASB staff issued a FASB Staff Position 143-1 Accounting for Electronic Equipment Waste Obligations (FSP 143-1) to address the accounting for obligations associated with the Directive 2002/96/EC on Waste Electrical and Electronic Equipment (the Directive) adopted by the European Union. The Directive effectively obligates a commercial user to incur costs associated with the retirement of a specified asset that qualifies as historical waste equipment. The commercial user should apply the provisions of SFAS 143 and the related FIN 47 discussed above. FSP 143-1 shall be applied the later of the first reporting period ending after June 8, 2005 or the date of the adoption of the law by the applicable EU-member country. We adopted the FSP at certain of our European operations where applicable legislation was adopted. The impact of the adoption on the consolidated financial statements was not significant.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We continuously monitor our fixed and floating rate debt mix. Within defined limitations, we manage the mix using refinancing and unleveraged interest rate swaps. We will enter into fixed and floating interest rate swaps to alter our exposure to the impact of changing interest rates on consolidated results of operations and future cash outflows for interest payments. Fixed rate swaps are used to reduce our risk of increased interest costs during periods of rising interest rates, and are normally designated as cash flow hedges. Floating rate swaps are used to convert the fixed rates of long-term borrowings into short-term variable rates, and are normally designated as fair value hedges. Interest rate swap contracts are thus used by us to separate interest rate risk management from debt funding decisions. At September 30, 2005 and December 31, 2004, the interest rates on 49% of our debt were fixed by either the nature of the obligation or through the interest rate swap contracts. We also have from time to time entered into interest rate lock contracts to hedge the risk-free component of anticipated debt issuances. As a result of credit ratings our access to these instruments may be limited.

The following tables present information at September 30:

Interest Rate Swap Contracts	**2005**	**2004**
(Dollars in millions)		
Fixed Rate Contracts:		
Notional principal amount	$	$ 15
Pay fixed rate	%	5.94%
Receive variable Australian Bank Bill Rate		5.50
Average years to maturity		0.8
Fair value liability		
Pro forma fair value liability		
Floating Rate Contracts:		
Notional principal amount	$ 200	$ 200
Pay variable LIBOR	5.22%	2.92%
Receive fixed rate	6.63	6.63
Average years to maturity	1.2	2.2
Fair value asset (liability)	$ 2	$ 10
Pro forma fair value asset (liability)	1	10

The pro forma fair value assumes a 10% increase in variable market interest rates at September 30, 2005 and 2004, and reflects the estimated fair value of contracts outstanding at that date under that assumption.

Weighted average interest rate swap contract information follows:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(Dollars in millions)	**2005**	**2004**	**2005**	**2004**
Fixed Rate Contracts:				
Domestic:				
Notional principal	$	$	$	$ 107
Pay fixed rate	%	%	%	5.00%
Receive variable LIBOR				1.18
International:				
Notional principal (AUD 20 million)	$	$ 14	$	$ 15
Pay fixed rate	%	5.94%	%	5.94%
Receive variable Australian Bank Bill Rate		5.48		5.50
Floating Rate Contracts:				
Notional principal	$ 200	$ 200	$ 200	$ 200
Pay variable LIBOR	5.22%	3.26%	4.68%	3.06%
Receive fixed rate	6.63	6.63	6.63	6.63

The following table presents fixed rate debt information at September 30:

Fixed Rate Debt:	**2005**	**2004**
	(In millions)	

Fair value liability	$ 2,984	$ 3,021
Carrying amount liability	2,874	2,981
Pro forma fair value liability	2,888	2,866

The pro forma information assumes a 100 basis point increase in market interest rates at September 30, 2005 and 2004, and reflects the estimated fair value of fixed rate debt outstanding at that date under that assumption.

The sensitivity to changes in interest rates of our interest rate contracts and fixed rate debt was determined with a valuation model based upon net modified duration analysis. The model assumes a parallel shift in the yield curve. The precision of the model decreases as the assumed change in interest rates increases.

Foreign Currency Exchange Risk

We enter into foreign currency contracts in order to reduce the impact of changes in foreign exchange rates on consolidated results of operations and future foreign currency-denominated cash flows. These contracts reduce exposure to currency movements affecting existing foreign currency-denominated assets, liabilities, firm commitments and forecasted transactions resulting primarily from trade receivables and payables, equipment acquisitions, intercompany loans and royalty agreements and forecasted purchases and sales. In addition, the principal and interest on our Swiss franc bond due 2006 is hedged by currency swap agreements.

Contracts hedging the Swiss franc bond are designated as a cash flow hedge. Contracts hedging short-term trade receivables and payables normally have no hedging designation.

The following table presents foreign currency contract information at September 30:

(In millions)	2005	2004
Fair value asset (liability)	$43	$71
Pro forma change in fair value	(19)	(32)
Contract maturities	10/05-10/19	10/04-10/19

We were not a party to any foreign currency option contracts at September 30, 2005 or 2004.

The pro forma change in fair value assumes a 10% change in foreign exchange rates at September 30 of each year, and reflects the estimated change in the fair value of contracts outstanding at that date under that assumption. The sensitivity of our foreign currency positions to changes in exchange rates was determined using current market pricing models.

Fair values are recognized on the Consolidated Balance Sheet at September 30 as follows:

(In millions)	2005	2004
Fair value asset (liability):		
Swiss franc swap-current	$ 42	$ (1)
Swiss franc swap-long term		46
Euro swaps-current		33
Euro swaps-long term		
Other-current asset	6	3
Other-current liability	(5)	(10)

BUSINESS

We are one of the world s leading manufacturers of tires and rubber products, engaging in operations in most regions of the world. Our 2004 net sales were $18.4 billion and our net income for 2004 was $114.8 million. Together with our U.S. and international subsidiaries and joint ventures, we develop, manufacture, market and distribute tires for most applications. We also manufacture and market several lines of power transmission belts, hoses and other rubber products for the transportation industry and various industrial and chemical markets, as well as synthetic rubber and rubber-related chemicals for various applications. We are one of the world s largest operators of commercial truck service and tire retreading centers. In addition, we operate more than 1,700 tire and auto service center outlets where we offer our products for retail sale and provide automotive repair and other services. We manufacture our products in more than 90 facilities in 28 countries, and we have marketing operations in almost every country around the world. We employ more than 75,000 associates worldwide.

General Segment Information

Our operating segments are North American Tire; European Union Tire; Eastern Europe, Middle East and Africa Tire (Eastern Europe Tire) (formerly known as Eastern Europe, Africa and Middle East Tire); Latin American Tire; Asia/ Pacific Tire (formerly known as Asia Tire) (collectively, the Tire Segments); and Engineered Products.

Financial Information About Our Segments

Financial information related to our operating segments for the three year period ended December 31, 2004 appears in the Note to the Financial Statements No. 18, Business Segments, included herein, and for the nine month periods ending September 30, 2005 and September 30, 2004, appears in Note 8 to the unaudited Interim Financial Statements included herein.

General Information Regarding Tire Segments

Our principal business is the development, manufacture, distribution and sale of tires and related products and services worldwide. We manufacture and market numerous lines of rubber tires for:

- automobiles
- trucks
- buses
- aircraft
- motorcycles
- farm implements
- earthmoving equipment
- industrial equipment
- various other applications.

In each case our tires are offered for sale to vehicle manufacturers for mounting as original equipment (OE) and in replacement markets worldwide. We manufacture and sell tires under the Goodyear-brand, the Dunlop-brand, the Kelly-brand, the Fulda-brand, the Debica-brand, the Sava-brand and various other Goodyear owned house brands, and the private-label brands of certain customers. In certain markets we also:

- retread truck, aircraft and heavy equipment tires,
- manufacture and sell tread rubber and other tire retreading materials,

provide automotive repair services and miscellaneous other products and services, and

manufacture and sell flaps for truck tires and other types of tires.

The principal products of the Tire Segments are new tires for most applications. Approximately 77.6% of our consolidated sales in 2004 were of new tires, compared to 78.3% in 2003 and 77.5% in 2002. The percentages of each Tire Segment s sales attributable to new tires during the periods indicated were:

	Year Ended December 31,		
Sales of New Tires By	**2004**	**2003**	**2002**
North American Tire	87.9%	86.3%	86.2%
European Union Tire	87.4	89.2	85.6
Eastern Europe Tire	94.6	94.1	91.8
Latin American Tire	92.5	91.1	90.6
Asia/ Pacific Tire	82.2	97.7	97.2

Each Tire Segment exports tires to other Tire Segments. The financial results of each Tire Segment exclude sales of tires exported to other Tire Segments, but include operating income derived from such transactions. In addition, each Tire Segment imports tires from other Tire Segments. The financial results of each Tire Segment include sales and operating income derived from the sale of tires imported from other Tire Segments. Sales to unaffiliated customers are attributed to the Tire Segment that makes the sale to the unaffiliated customer.

Tire unit sales for each Tire Segment and for Goodyear worldwide during the periods indicated were:

Goodyear s Annual Tire Unit Sales

	Year Ended December 31,		
	2004	**2003**	**2002**
(In millions of tires)			
North American Tire	102.5	101.2	103.8
European Union Tire	62.8	62.3	61.5
Eastern Europe Tire	18.9	17.9	16.1
Latin American Tire	19.6	18.7	19.9
Asia/ Pacific Tire	19.5	13.4	13.0
Goodyear worldwide	223.3	213.5	214.3

Our worldwide tire unit sales in the replacement and OE markets during the periods indicated were:

Goodyear Worldwide Annual Tire Unit Sales Replacement and OE

	Year Ended December 31,		
	2004	**2003**	**2002**
(In millions of tires)			
Replacement tire units	159.6	150.6	147.6
OE tire units	63.7	62.9	66.7
Goodyear worldwide tire units	223.3	213.5	214.3

Tire unit information in 2002 and 2003 does not include the operations of our affiliate, South Pacific Tyres, or SPT. Unit sales in 2004 increased by 5.5 million replacement units and 0.8 million OE units due to the consolidation of SPT. For further information, refer to the Note to the Financial Statements No. 8, Investments.

New tires are sold under highly competitive conditions throughout the world. On a worldwide basis, we have two major competitors: Bridgestone (based in Japan) and Michelin (based in France). Other significant competitors include Continental, Cooper, Pirelli, Toyo, Yokohama, Kumho, Hankook and various regional tire manufacturers.

We compete with other tire manufacturers on the basis of product design, performance, price and reputation, warranty terms, customer service and consumer convenience. Goodyear-brand and Dunlop-brand tires enjoy a high recognition factor and have a reputation for performance, quality and value. Kelly-brand, Debica-brand, Sava-brand and various other house brand tire lines offered by us, and tires manufactured and sold by us to private brand customers, compete primarily on the basis of value and price.

We do not consider our tire businesses to be seasonal to any significant degree. A significant inventory of new tires is maintained in order to optimize production schedules consistent with anticipated demand and assure prompt delivery to customers, especially just in time deliveries of tires or tire and wheel assemblies to OE manufacturers. Notwithstanding, tire inventory levels are designed to minimize working capital requirements.

North American Tire

Our largest segment, the North American tire business (North American Tire), develops, manufactures, distributes and sells tires and related products and services in the United States and Canada. North American Tire manufactures tires in nine plants in the United States and three plants in Canada. Certain Dunlop-brand related businesses of North American Tire are conducted by Goodyear Dunlop Tires North America, Ltd., which is 75% owned by Goodyear and 25% owned by Sumitomo Rubber Industries, Ltd.

Tires

North American Tire manufactures and sells tires for automobiles, trucks, motorcycles, buses, farm implements, earthmoving equipment, commercial and military aircraft and industrial equipment and for various other applications.

Goodyear-brand radial passenger tire lines sold in North America include Assurance® with ComforTred Technology™ for the luxury market, Assurance® with TripleTred Technology™ with broad market appeal, Eagle® high performance and run-flat extended mobility technology (EMT) tires. Dunlop-brand radial passenger tire lines sold in North America include SP Sport® performance tires. The major lines of Goodyear-brand radial tires offered in the United States and Canada for sport utility vehicles and light trucks are Wrangler® and Fortera®. Goodyear also offers Dunlop-brand radials for light trucks such as the Rover™ and Grandtrek® lines. North American Tire also manufactures and sells several lines of Kelly-brand, other house brands and several lines of private brand radial passenger tires in the United States and Canada.

A full line of Goodyear-brand all-steel cord and belt construction medium radial truck tires, the Unisteel® series, is manufactured and sold for various applications, including line haul highway use and off-road service. In addition, various lines of Dunlop-brand, Kelly-brand, other house and private brand radial truck tires are sold in the United States and Canadian replacement markets.

Related Products and Services

North American Tire also:

- retreads truck, aircraft and heavy equipment tires, primarily as a service to its commercial customers,
- manufactures tread rubber and other tire retreading materials for trucks, heavy equipment and aircraft,
- manufactures rubber track for agricultural and construction equipment,
- provides automotive maintenance and repair services at approximately 805 retail outlets,
- sells automotive repair and maintenance items, automotive equipment and accessories and other items to dealers and consumers,
- develops, manufactures, distributes and sells synthetic rubber and rubber lattices, various resins and organic chemicals used in rubber and plastic processing, and other chemical products, and
- provides miscellaneous other products and services.

North American Tire sells chemical products to Goodyear s other business segments and to unaffiliated customers. North American Tire owns 4 chemical products manufacturing facilities and conducts natural rubber purchasing operations. Approximately 65% of the total pounds of synthetic materials sold by North American Tire in 2004 was to Goodyear s other business segments. All production is at 4 plants in the United States.

Markets and Other Information

North American Tire distributes and sells tires throughout the United States and Canada. Tire unit sales to OE customers and in the replacement markets served by North American Tire during the periods indicated were:

North American Tire Unit Sales Replacement and OE

	Year Ended December 31,		
	2004	**2003**	**2002**
(In millions of tires)			
Replacement tire units	70.8	68.6	69.7
OE tire units	31.7	32.6	34.1
Total tire units	102.5	101.2	103.8

North American Tire is a major supplier of tires to most manufacturers of automobiles, motorcycles, trucks, farm and construction equipment and aircraft that have production facilities located in North America. Our 2004 unit sales in the North American original equipment market channel decreased compared to 2003 and 2002 due to our selective fitment strategy in the consumer original equipment business.

Goodyear-brand, Dunlop-brand and Kelly-brand tires are sold in the United States and Canadian replacement markets through several channels of distribution. The principal channel for Goodyear-brand tires is a large network of independent dealers. Goodyear-brand, Dunlop-brand and Kelly-brand tires are also sold to numerous national and regional retail marketing firms in the United States. North American Tire also operates approximately 917 retail outlets (including auto service centers, commercial tire and service centers and leased space in department stores) under the Goodyear name or under the Wingfoot Commercial Tire Systems, Allied or Just Tires trade styles. Several lines of house brand tires and private and associate brand tires are sold to independent dealers, national and regional wholesale marketing organizations and various other retail marketers.

Automotive parts, automotive maintenance and repair services and associated merchandise are sold under highly competitive conditions in the United States and Canada through retail outlets operated by North American Tire.

North American Tire periodically offers various financing and extended payment programs to certain of its tire customers in the replacement market. We do not believe these programs, when considered in the aggregate, require an unusual amount of working capital relative to the volume of sales involved, and they are consistent with prevailing tire industry practices.

We are subject to regulation by the National Highway Traffic Safety Administration (NHTSA), which has established various standards and regulations applicable to tires sold in the United States for highway use. NHTSA has the authority to order the recall of automotive products, including tires, having safety defects related to motor vehicle safety. In addition, the Transportation Recall Enhancement, Accountability, and Documentation Act (the TREAD Act) imposes numerous requirements with respect to tire recalls. The TREAD Act also requires tire manufacturers to, among other things, remedy tire safety defects without charge for five years and conform with revised and more rigorous tire standards, once the revised standards are implemented.

Most external sales of chemical products and natural rubber are made directly to manufacturers of various products. Several major firms are significant suppliers of one or more chemical products similar to those manufactured by North American Tire. The principal competitors of the chemical products business of

North American Tire include Bayer and Dow. The markets are highly competitive, with product quality and price being the most significant factors to most customers. North American Tire believes its chemical products are generally considered to be of high quality and are competitive in price.

European Union Tire

Our second largest segment, European Union Tire, develops, manufactures, distributes and sells tires for automobiles, motorcycles, trucks, farm implements and construction equipment in Western Europe, exports tires to other regions of the world and provides related products and services. European Union Tire manufactures tires in 13 plants in England, France, Germany and Luxembourg. Substantially all of the operations and assets of European Union Tire are owned and operated by Goodyear Dunlop Tires Europe B.V., a 75% owned subsidiary of Goodyear. European Union Tire:

- manufactures and sells Goodyear-brand, Dunlop-brand and Fulda-brand and other house brand passenger, truck, motorcycle, farm and heavy equipment tires,
- sells Debica-brand and Sava-brand passenger, truck and farm tires manufactured by the Eastern Europe Tire Segment,
- sells new, and manufactures and sells retreaded, aircraft tires,
- provides various retreading and related services for truck and heavy equipment tires, primarily for its commercial truck tire customers,
- offers automotive repair services at retail outlets in which it owns a controlling interest, and
- provides miscellaneous related products and services.

Markets and Other Information

European Union Tire distributes and sells tires throughout Western Europe. Tire unit sales to OE customers and in the replacement markets served by European Union Tire during the periods indicated were:

European Union Tire Unit Sales Replacement and OE

	Year Ended December 31,		
(In millions of tires)	**2004**	**2003**	**2002**
Replacement tire units	43.9	43.9	41.3
OE tire units	18.9	18.4	20.2
Total tire units	62.8	62.3	61.5

European Union Tire is a significant supplier of tires to most manufacturers of automobiles, trucks and farm and construction equipment located in Western Europe.

European Union Tire s primary competitor in Western Europe is Michelin. Other significant competitors include Continental, Bridgestone, Pirelli, several regional tire producers and imports from other regions, primarily Eastern Europe and Asia.

Goodyear-brand and Dunlop-brand tires are sold in the several replacement markets served by European Union Tire through various channels of distribution, principally independent multi-brand tire dealers. In some markets, Goodyear-brand tires, as well as Dunlop-brand, Fulda-brand, Debica-brand and Sava-brand tires, are distributed through independent dealers, regional distributors and retail outlets, of which approximately 337 are owned by Goodyear.

Eastern Europe, Middle East and Africa Tire

Our Eastern Europe, Middle East and Africa Tire segment (Eastern Europe Tire) manufactures and sells passenger, truck, farm, bicycle and construction equipment tires in Eastern Europe, the Middle East and

Africa. Eastern Europe Tire manufactures tires in six plants in Poland, Slovenia, Turkey, Morocco and South Africa. Eastern Europe Tire:

- maintains sales operations in most countries in Eastern Europe (including Russia), the Middle East and Africa,
- exports tires for sale in Western Europe, North America and other regions of the world,
- provides related products and services in certain markets,
- manufactures and sells Goodyear-brand, Kelly-brand, Debica-brand, Sava-brand and Fulda-brand tires and sells Dunlop-brand tires manufactured by European Union Tire,
- sells new and retreaded aircraft tires,
- provides various retreading and related services for truck and heavy equipment tires,
- sells automotive parts and accessories, and
- provides automotive repair services.

Markets and Other Information

Eastern Europe Tire distributes and sells tires in most countries in eastern Europe, the Middle East and Africa. Tire unit sales to OE customers and in the replacement markets served by Eastern Europe Tire during the periods indicated were:

Eastern Europe Tire Unit Sales Replacement and OE

	Year Ended December 31,		
(In millions of tires)	**2004**	**2003**	**2002**
Replacement tire units	15.4	14.8	13.3
OE tire units	3.5	3.1	2.8
Total tire units	18.9	17.9	16.1

Eastern Europe Tire has a significant share of each of the markets it serves and is a significant supplier of tires to manufacturers of automobiles, trucks, and farm and construction equipment in Morocco, Poland, South Africa and Turkey. Its major competitors are Michelin, Bridgestone, Continental and Pirelli. Other competition includes regional and local tire producers and imports from other regions, primarily Asia.

Goodyear-brand tires are sold by Eastern Europe Tire in the various replacement markets primarily through independent tire dealers and wholesalers who sell several brands of tires. In some countries, Goodyear-brand, Dunlop-brand, Kelly-brand, Fulda-brand, Debica-brand and Sava-brand tires are sold through regional distributors and multi-brand dealers. In the Middle East and most of Africa, tires are sold primarily to regional distributors for resale to independent dealers. In South Africa and sub-Saharan Africa, tires are also sold through a retail chain of approximately 168 retail stores operated by Goodyear under the trade name Trentyre.

Latin American Tire

Our Latin American Tire segment manufactures and sells automobile, truck and farm tires throughout Central and South America and in Mexico (Latin America), sells tires to various export markets, retreads and sells commercial truck, aircraft and heavy equipment tires, and provides other products and services. Latin American Tire manufactures tires in six facilities in Brazil, Chile, Colombia, Peru and Venezuela.

Latin American Tire manufactures and sells several lines of passenger, light and medium truck and farm tires. Latin American Tire also:

- manufactures and sells pre-cured treads for truck and heavy equipment tires,
- retreads, and provides various materials and related services for retreading, truck, aircraft and heavy equipment tires,
- manufactures other products, including batteries for motor vehicles,
- manufactures and sells new aircraft tires, and
- provides miscellaneous other products and services.

Markets and Other Information

Latin American Tire distributes and sells tires in most countries in Latin America. Tire sales to OE customers and in the replacement markets served by Latin American Tire during the periods indicated were:

Latin American Tire Unit Sales Replacement and OE

	Year Ended December 31,		
	2004	**2003**	**2002**
(In millions of tires)			
Replacement tire units	15.0	14.2	14.2
OE tire units	4.6	4.5	5.7
Total tire units	19.6	18.7	19.9

Asia/ Pacific Tire

Our Asia/ Pacific Tire segment manufactures and sells tires for automobiles, light and medium trucks, farm and construction equipment and aircraft throughout the Asia/ Pacific markets. Asia/ Pacific Tire manufactures tires in China, India, Indonesia, Japan, Malaysia, the Philippines, Taiwan and Thailand. In addition, beginning in 2004, Asia/ Pacific Tire information included the manufacturing operations of affiliates in Australia and New Zealand. Asia/ Pacific Tire also retreads aircraft tires and provides miscellaneous other products and services.

Effective January 1, 2004, Asia/ Pacific Tire includes the operations of South Pacific Tyres, an Australian Partnership, and South Pacific Tyres N.Z. Limited, a New Zealand company (together, SPT), joint ventures 50% owned by Goodyear and 50% owned by Ansell Ltd. SPT is the largest tire manufacturer in Australia and New Zealand, with two tire manufacturing plants and 17 retread plants. SPT sells Goodyear- brand, Dunlop-brand and other house and private brand tires through its chain of 417 retail stores, commercial tire centers and independent dealers. For further information about SPT, refer to the Notes to the Financial Statements No. 8, Investments and No. 18, Business Segments.

Markets and Other Information

Asia/ Pacific Tire distributes and sells tires in most countries in the Asia/ Pacific region. Tire sales to OE customers and in the replacement markets served by Asia/ Pacific Tire during the periods indicated were:

Asia/ Pacific Tire Unit Sales Replacement and OE

	Year Ended December 31,

(In millions of tires)	**2004**	**2003**	**2002**
Replacement tire units	14.5	9.1	9.1
OE tire units	5.0	4.3	3.9
Total tire units	19.5	13.4	13.0

Asia/ Pacific Tire information in 2002 and 2003 does not include the operations of SPT. Unit sales in 2004 increased by 5.5 million replacement units and 0.8 million OE units due to the consolidation of SPT.

Engineered Products

Our Engineered Products segment develops, manufactures, distributes and sells numerous rubber and thermoplastic products worldwide. The products and services offered by Engineered Products include:

- belts and hoses for motor vehicles,
- conveyor and power transmission belts,
- air, water, steam, hydraulic, petroleum, fuel, chemical and materials handling hose for industrial applications,
- anti-vibration products,
- tank tracks, and
- miscellaneous products and services.

Engineered Products manufactures products at 8 plants in the United States and 19 plants in Australia, Brazil, Canada, Chile, China, France, Mexico, Slovenia, South Africa and Venezuela.

Markets and Other Information

Engineered Products sells its products to manufacturers of vehicles and various industrial products and to independent wholesale distributors. Numerous major firms participate in the various markets served by Engineered Products. There are several suppliers of automotive belts and hose products, air springs, engine mounts and other rubber components for motor vehicles. Engineered Products is a significant supplier of these products, and is also a leading supplier of conveyor and power transmission belts and industrial hose products. The principal competitors of Engineered Products include Dana, Mark IV, Gates, Bridgestone, Conti-Tech, Trelleborg, Tokai/ DTR, Unipoly and Habasit.

These markets are highly competitive, with quality, service and price all being significant factors to most customers. EPD believes its products are considered to be of high quality and are competitive in price and performance.

General Business Information

Sources and Availability of Raw Materials

The principal raw materials used by Goodyear are synthetic and natural rubber. We purchase substantially all of our requirements for natural rubber in the world market. Synthetic rubber typically accounts for slightly more than half of all rubber consumed by us on an annual basis. Our plants located in Beaumont, and Houston, Texas, supply the major portion of our synthetic rubber requirements in North America. We purchase a significant amount of our synthetic rubber requirements outside North America from third parties.

We use nylon and polyester yarns, substantial quantities of which are processed in our textile mills. Significant quantities of steel wire are used for radial tires, a portion of which we produce. Other important raw materials we use are carbon black, pigments, chemicals and bead wire. Substantially all of these raw materials are purchased from independent suppliers, except for certain chemicals we manufacture. We purchase most raw materials in significant quantities from several suppliers, except in those instances where only one or a few qualified sources are available. As in 2004 and 2005, we anticipate the continued availability of all raw materials we will require during 2006, subject to spot shortages.

Substantial quantities of hydrocarbon-based chemicals and fuels are used in the production of tires and other rubber products, synthetic rubber, latex and other products. Supplies of chemicals and fuels have been and are expected to continue to be available to us in quantities sufficient to satisfy our anticipated requirements, subject to spot shortages.

In 2004, raw materials costs increased approximately $280 million from 2003 levels due to inflation. Raw materials costs are expected to increase during 2005, driven by increases in the cost of oil, steel, petrochemicals and natural rubber. Continued volatility in the commodity markets could result in further increases in prices.

Patents and Trademarks

We own approximately 2,550 product, process and equipment patents issued by the United States Patent Office and approximately 5,900 patents issued or granted in other countries around the world. We also have licenses under numerous patents of others. We have approximately 580 applications for United States patents pending and approximately 3,900 patent applications on file in other countries around the world. While such patents, patent applications and licenses as a group are important, we do not consider any patent, patent application or license, or any related group of them, to be of such importance that the loss or expiration thereof would materially affect Goodyear or any business segment.

We own or control and use approximately 1,570 different trademarks, including several using the word Goodyear or the word Dunlop. Approximately 9,400 registrations and 900 pending applications worldwide protect these trademarks. While such trademarks as a group are important, the only trademarks we consider material to our business, or to the business of any of our segments, are those using the word Goodyear . We believe our trademarks are valid and most are of unlimited duration as long as they are adequately protected and appropriately used.

Backlog

Our backlog of orders is not considered material to, or a significant factor in, evaluating and understanding any of our business segments or our businesses considered as a whole.

Research and Development

Our direct and indirect expenditures on research, development and certain engineering activities relating to the design, development and significant modification of new and existing products and services and the formulation and design of new, and significant improvements to existing, manufacturing processes and equipment during the periods indicated were:

	Year Ended December 31,		
	2004	**2003**	**2002**
(In millions)			
Research and development expenditures	$378.2	$351.0	$386.5

These amounts were expensed as incurred.

Employees

At September 30, 2005, we employed more than 75,000 people throughout the world, including approximately 33,000 persons in the United States. Approximately 13,700 of our employees in the United States were covered by a master collective bargaining agreement, dated August 20, 2003, with the United Steelworkers, A.F.L.-C.I.O.-C.L.C. (USW), which expires on July 22, 2006. In addition, approximately 1,800 of our employees in the United States were covered by other contracts with the USW and various other unions. Unions represent the major portion of our employees in Europe, Latin America and Asia.

Compliance with Environmental Regulations

We are subject to extensive regulation under environmental and occupational health and safety laws and regulations. These laws and regulations relate to, among other things, air emissions, discharges to surface and underground waters and the generation, handling, storage, transportation and disposal of waste materials and hazardous substances. We have several continuing programs designed to ensure compliance with federal, state and local environmental and occupational safety and health laws and regulations. We expect capital expenditures for pollution control facilities and occupational safety and health projects will be approximately $24 million during 2005 and approximately $28 million during 2006.

We expended approximately $65 million during 2004, and expect to expend approximately $62 million during 2005 and $60 million during 2006, to maintain and operate our pollution control facilities and conduct our other environmental activities, including the control and disposal of hazardous substances. These expenditures are expected to be sufficient to comply with existing environmental laws and regulations and are not expected to have a material adverse effect on our competitive position.

In the future we may incur increased costs and additional charges associated with environmental compliance and cleanup projects necessitated by the identification of new waste sites, the impact of new environmental laws and regulatory standards, or the availability of new technologies. Compliance with federal, state and local environmental laws and regulations in the future may require a material increase in our capital expenditures and could adversely affect our earnings and competitive position.

Information About International Operations

We engage in manufacturing and/or sales operations in most countries in the world, often through subsidiary companies. We have manufacturing operations in the United States and 27 other countries. Most of our international manufacturing operations are engaged in the production of tires. Several engineered rubber products and certain other products are also manufactured in plants located outside the United States. Financial information related to our geographic areas for the three year period ended December 31, 2004 appears in the Note to the Financial Statements No. 18, Business Segments, included herein, and appears in Note 8 to the unaudited Interim Financial Statements included herein.

In addition to the ordinary risks of the marketplace, in some countries our operations are affected by price controls, import controls, labor regulations, tariffs, extreme inflation and/or fluctuations in currency values. Furthermore, in certain countries where we operate, transfers of funds into or out of such countries are generally or periodically subject to various restrictive governmental regulations.

PROPERTIES

As of September 30, 2005, we manufactured our products in 99 manufacturing facilities located around the world, with 30 plants in the United States and 69 plants in 27 other countries.

North American Tire Manufacturing Facilities

As of September 30, 2005, North American Tire owned (or leased with the right to purchase at a nominal price) and operated 21 manufacturing facilities in the United States and Canada, including:

12 tire plants (9 in the United States and 3 in Canada),

1 steel tire wire cord plant,

1 tire mold plant,

2 textile mills,

3 tread rubber plants, and

2 aero retread plants.

These facilities have floor space aggregating approximately 23.1 million square feet. North American Tire also owns a tire plant in Huntsville, Alabama that was closed during 2003 and has floor space aggregating approximately 1.3 million square feet.

North American Tire also owns and operates 4 chemical products manufacturing facilities. The facilities are located in the United States and produce synthetic rubber and rubber lattices, synthetic resins, and other organic chemical products. These facilities have floor space aggregating approximately 1.7 million square feet.

European Union Tire Manufacturing Facilities

As of September 30, 2005, European Union Tire owned and operated 19 manufacturing facilities in 5 countries, including:

13 tire plants,

1 tire fabric processing facility,

1 steel tire wire cord plant,

1 tire mold and tire manufacturing machines facility, and

3 tire retread plants.

These facilities have floor space aggregating approximately 13.5 million square feet.

Eastern Europe, Middle East And Africa Tire Manufacturing Facilities

As of September 30, 2005, Eastern Europe Tire owned and operated 6 tire plants in 5 countries. These facilities have floor space aggregating approximately 7.4 million square feet.

Latin American Tire Manufacturing Facilities

As of September 30, 2005, Latin American Tire owned and operated 6 tire plants in 5 countries. Latin American Tire also manufactures tread rubber and tire molds and operates a fabric processing facility in Brazil. These facilities have floor space aggregating approximately 5.7 million square feet.

Asia/ Pacific Tire Manufacturing Facilities

As of September 30, 2005, Asia/ Pacific Tire owned and operated 11 tire plants in 10 countries, manufactured tread rubber and operated 2 aero-retread plants. These facilities have floor space aggregating approximately 6.3 million square feet.

Engineered Products Manufacturing Facilities

As of September 30, 2005, Engineered Products owned (or leased with the right to purchase at a nominal price) 27 facilities at 8 locations in the United States and 19 international locations in 10 countries. These facilities have floor space aggregating approximately 6.0 million square feet. Certain facilities manufacture more than one group of products. The facilities include:

In the United States and Canada

7 hose products plants

2 conveyor belting plants

2 molded rubber products plants

2 power transmission products plants

5 mix centers

In Latin America

2 air springs plants

5 hose products plants

3 power transmission products plants

2 conveyor belting plants

In Europe

2 air springs plants

1 power transmission products plant

1 hose products plant

In Asia

1 conveyor belting plant

1 hose products plant

In Africa

one conveyor belting and power transmission products plant

Plant Utilization

Our worldwide tire capacity utilization rate was approximately 88% during 2004, compared to approximately 88% during 2003 and 86% during 2002. We expect to have production capacity sufficient to satisfy presently anticipated demand for our tires and other products for the foreseeable future.

Other Facilities

We also own and operate four research and development facilities and technical centers, and six tire proving grounds, and recently sold our natural rubber planation and rubber processing facility in Indonesia. We also operate approximately 1,839 retail outlets for the sale of our tires to consumers, approximately 62 tire retreading facilities and approximately 254 warehouse distribution facilities. Substantially all of these facilities are leased. We do not consider any one of these leased properties to be material to our operations. For additional information regarding leased properties, refer to the Notes to the Financial Statements No. 9, Properties and Plants and No. 10, Leased Assets.

LEGAL PROCEEDINGS

Heatway Litigation and Settlement

On June 4, 2004, we entered into an amended settlement agreement in *Galanti et al. v. Goodyear* (Case No. 03-209, United States District Court, District of New Jersey) that was intended to address the claims arising out of a number of Federal, state and Canadian actions filed against us involving a rubber hose product, Entran II, that we supplied from 1989 to 1993 to Chiles Power Supply, Inc. (d/b/a Heatway Systems), a designer and seller of hydronic radiant heating systems in the United States. Heating systems using Entran II are typically attached or embedded in either indoor flooring or outdoor pavement, and use Entran II hose as a conduit to circulate warm fluid as a source of heat.

On October 19, 2004, the *Galanti* court conducted a fairness hearing on, and gave final approval to, the amended settlement. As a result, we will make annual cash contributions to a settlement fund of $60 million, $40 million, $15 million, $15 million and $20 million in 2004, 2005, 2006, 2007 and 2008, respectively. In addition to these annual payments, we contributed approximately $170 million received from insurance contributions to a settlement fund pursuant to the terms of the settlement agreement. We do not expect to receive any additional insurance reimbursements for Entran II related matters. In November 2004, we made our first annual cash contribution, approximately $60 million, to the settlement fund.

Sixty-two sites initially opted-out of the amended settlement. Currently, after taking into account sites that have opted back in, as well as the preliminary settlement of *Davis et al. v. Goodyear* (Case No. 99CV594, District Court, Eagle County, Colorado), approximately 41 sites remain opted-out of the settlement. In *Davis*, a case involving approximately 14 homesites, a preliminary settlement was reached with the property owners in July 2005. There are currently two Entran II actions filed against us, *Cross Mountain Ranch, LP v. Goodyear* (Case No. 04CV105, District Court, Routt County, Colorado), a case involving one site that is currently scheduled for trial in August 2005 and *Bloom et al. v. Goodyear (Case No. 05-CV-1317, United States District Court for the District of Colorado)*, a case involving 9 sites filed in July 2005. We also expect that a portion of the remaining opt-outs may file actions against us in the future. Any liability resulting from the following actions also will not be covered by the amended settlement:

Malek, et al. v. Goodyear (Case No. 02-B-1172, United States District Court for the District of Colorado), a case involving 25 homesites, in which a federal jury awarded the plaintiffs aggregate damages of $8.1 million of which 40% was allocated to us. On July 12, 2004, judgment was entered in *Malek* and an additional $4.8 million in prejudgment interest was awarded to the plaintiffs, all of which was allocated to us; and

Holmes v. Goodyear (Case No. 98CV268-A, District Court, Pitkin County, Colorado), a case involving one site in which the jury awarded the plaintiff $632,937 in damages, of which the jury allocated 20% to us, resulting in a net award against us of $126,587. The plaintiff was also awarded $367,860 in prejudgment interest and costs, all of which was allocated to us.

Although liability resulting from the opt outs, *Malek and Holmes* will not be covered by the amended settlement, we will be entitled to assert a proxy claim against the settlement fund for the payment such claimant would have been entitled to under the amended settlement.

In addition, any liability of ours arising out of the actions listed below will not be covered by the amended settlement nor will we be entitled to assert a proxy claim against the settlement fund for amounts (if any) paid to plaintiffs in these actions:

Goodyear v. Vista Resorts, Inc. (Case No. 02CA1690, Colorado Court of Appeals), an action involving five homesites, in which a jury rendered a verdict in favor of the plaintiff real estate developer in the aggregate amount of approximately $5.9 million, which damages were trebled under the Colorado Consumer Protection Act. The total damages awarded were approximately $22.7 million, including interest, attorney s fees and costs. This verdict was upheld by the Court of Appeals in 2004 and on August 8, 2005 the Supreme Court of Colorado denied Goodyear s Petition for Writ of Certiorari. Following the Supreme Court s ruling, we paid the plaintiffs $25.6 million in satisfaction of the

judgment, which included an amount for interest on the judgment. The liability incurred in *Vista* was not covered by the amended settlement;

Sumerel et al. v. Goodyear et al (Case No. 02CA1997, Colorado Court of Appeals), a case involving six sites in which a judgment was entered against us in the amount of $1.3 million plus interest and costs; and

Loughridge v. Goodyear and Chiles Power Supply, Inc. (Case No. 98-B-1302, United States District Court for the District of Colorado), a case consolidating claims involving 36 Entran II sites, in which a federal jury awarded 34 homeowners aggregate damages of $8.2 million, 50% of which was allocated to us. On September 8, 2003, an additional $5.7 million in prejudgment interest was awarded to the plaintiffs, all of which was allocated to us.

We are pursuing appeals of *Holmes, Loughridge, Malek, and Sumerel* and expect that except for liabilities associated with these cases, and the sites that opt out of the amended settlement, our liability with respect to Entran II matters will be addressed by the amended settlement.

The ultimate cost of disposing of Entran II claims is dependent upon a number of factors, including our ability to resolve claims not subject to the amended settlement (including the cases in which we have received adverse judgments), the extent to which the liability, if any, associated with such a claim may be offset by our ability to assert a proxy claim against the settlement fund and whether or not claimants opting out of the amended settlement pursue claims against us in the future.

Japan Investigation

On June 17, 2004, we became aware that the Japan Fair Trade Commission had commenced an investigation into alleged unfair business practices by several tire manufacturers and distributors in Japan that supply tires to the Japan National Defense Agency. One of the companies being investigated is Goodyear Wingfoot KK, a subsidiary of ours. Depending upon the results of its investigation, the Japan Fair Trade Commission may pursue sanctions against the tire manufacturers and distributors.

SEC Investigation

On October 22, 2003, we announced that we would restate our financial results for the years ended 1998 through 2002 and for the first and second quarters of 2003. Following this announcement, the SEC advised us that they had initiated an informal inquiry into the facts and circumstances related to the restatement. On February 5, 2004, the SEC advised us that it had approved the issuance of a formal order of investigation. The order authorized an investigation into possible violations of the securities laws related to the restatement and previous public filings. On August 16, 2005, we announced that we had received a Wells Notice from the staff of the SEC. The Wells Notice states that the SEC staff intends to recommend that a civil or administrative enforcement action be brought against us for alleged violations of provisions of the Securities and Exchange Act of 1934 relating to the maintenance of books, records and internal accounting controls, the establishment of disclosure controls and procedures, and the periodic SEC filing requirements, as set forth in sections 13(a) and 13(b)(2)(A) and (B) of the Act and SEC Rules 12b-20, 13a-13 and 13a-15(a). The alleged violations relate to the account reconciliation matters giving rise to our initial decision to restate in October 2003. We have also been informed that Wells Notices have been issued to a former chief financial officer and a former chief accounting officer of ours. We continue to cooperate with the SEC in connection with this matter, the outcome of which cannot be predicted at this time.

Securities Litigation

On October 23, 2003, following the announcement of the restatement, a purported class action lawsuit was filed against us in the United States District Court for the Northern District of Ohio on behalf of purchasers of Goodyear common stock alleging violations of the federal securities laws. After that date, a total of 20 of these purported class actions were filed against us in that court. These lawsuits name as defendants several of Goodyear s present or former officers and directors, including Goodyear s current chief executive officer, Robert J. Keegan, Goodyear s current chief financial officer, Richard J. Kramer, and Goodyear s former chief financial officer, Robert W. Tieken, and allege, among other things, that Goodyear and the other named defendants violated federal securities laws by artificially inflating and maintaining the market price of Goodyear s securities. Five derivative lawsuits were also filed by purported shareholders on behalf of Goodyear in the United States District Court for the Northern District of Ohio and two similar derivative lawsuits originally filed in the Court of Common Pleas for Summit County, Ohio were removed to federal court. The derivative actions are against present and former directors, Goodyear s present and former chief executive officers and Goodyear s former chief financial officer and allege, among other things, breach of fiduciary duty and corporate waste arising out of the same events and circumstances upon which the securities class actions are based. The plaintiffs in the federal derivative actions also allege violations of Section 304 of the Sarbanes-Oxley Act of 2002, by certain of the named defendants. Finally, at least 11 lawsuits have been filed in the United States District Court for the Northern District of Ohio against Goodyear, The Northern Trust Company, and current and/or former officers of Goodyear asserting breach of fiduciary claims under the Employee Retirement Income Security Act (ERISA) on behalf of a putative class of participants in Goodyear s Employee Savings Plan for Bargaining Unit Employees and Goodyear s Savings Plan for Salaried Employees. The plaintiffs claims in these actions arise out of the same events and circumstances upon which the securities class actions and derivative actions are based. All of these actions have been consolidated into three separate actions before the Honorable Judge John Adams in the United States District Court for the Northern District of Ohio. On June 28 and July 16, 2004, amended complaints were filed in each of the three consolidated actions. The amended complaint in the purported ERISA class action added certain current and former directors and associates of Goodyear as additional defendants and the Northern Trust Company was subsequently dismissed without prejudice from this action. On November 15, 2004, the defendants filed motions to dismiss all three consolidated cases and the Court is considering these motions. While Goodyear believes these claims are without merit and intends to vigorously defend them, it is unable to predict their outcome.

Asbestos Litigation

We are currently one of several (typically 50 to 80) defendants in civil actions involving approximately 125,800 claimants (as of September 30, 2005) relating to their alleged exposure to materials containing asbestos in products manufactured by us or asbestos materials at our facilities. These cases are pending in various state courts, including primarily courts in California, Florida, Illinois, Maryland, Michigan, Mississippi, New York, Ohio, Pennsylvania, Texas and West Virginia, and in certain federal courts relating to the plaintiffs alleged exposure to materials containing asbestos. We manufactured, among other things, rubber coated asbestos sheet gasket materials from 1914 through 1973 and aircraft brake assemblies containing asbestos materials prior to 1987. Some of the claimants are independent contractors or their employees who allege exposure to asbestos while working at certain of our facilities. It is expected that in a substantial portion of these cases there will be no evidence of exposure to a Goodyear manufactured product containing asbestos or asbestos in Goodyear facilities. The amount expended by us and our insurers on defense and claim resolution was approximately $30 million during 2004 and approximately $18 million during the first nine months of 2005. The plaintiffs in the pending cases allege that they were exposed to asbestos and, as a result of such exposure suffer from various respiratory diseases, including in some cases mesothelioma and lung cancer. The plaintiffs are seeking unspecified actual and punitive damages and other relief.

Insurance Settlement

We reached agreement effective April 13, 2005, to settle our claims for insurance coverage for asbestos and pollution related liabilities with respect to pre-1993 insurance policies issued by certain underwriters at Lloyd s, London, and reinsured by Equitas Limited. The settlement agreement generally provides for the payment of money to us in exchange for the release by us of past, present and future claims under those policies and the cancellation of those policies; agreement by us to indemnify the underwriters from claims asserted under those policies; and provisions addressing the impact on the settlement should federal asbestos reform legislation be enacted on or before January 3, 2007.

Under the agreement, in the second quarter of 2005, Equitas paid $22 million to us and placed $39 million into a trust. The trust funds may be used to reimburse us for a portion of costs we incur in the future to resolve certain asbestos claims. Our ability to use any of the trust funds is subject to specified confidential criteria, as well as limits on the amount that may be drawn from the trust in any one month. If federal asbestos reform legislation is enacted into law on or prior to January 3, 2007, then the trust would repay Equitas any amount it is required to pay with respect to our asbestos liabilities as a result of such legislation. If such legislation is not enacted by that date, any funds remaining in the trust will be disbursed to us to enable us to meet future asbestos-related liabilities or for other purposes.

We also reached an agreement effective July 27, 2005, to settle our claims for insurance coverage for asbestos and pollution related liabilities with respect to insurance policies issued by certain other non-Equitas excess insurance carriers which participated in policies issued in the London Market. The settlement agreement generally provides for the payment of $25 million to us in exchange for the release by us of past, present and future claims under those policies and the cancellation of those policies; and agreement by us to indemnify the underwriters from claims asserted under those policies.

Engineered Products Antitrust Investigation

The Antitrust Division of the United States Department of Justice is conducting a grand jury investigation concerning the closure of a portion of our Bowmanville, Ontario conveyor belting plant announced in October 2003. In that connection, the Division has sought documents and other information from us and several associates. The plant was part of our Engineered Products division and originally employed approximately 120 people. Engineered Products had approximately $1.2 billion in sales in 2003, including approximately $200 million of sales related to conveyor belting. Although we do not believe that we have violated the antitrust laws, we are cooperating with the Department of Justice.

DOE Facility Litigation

On June 7, 1990, a civil action, *Teresa Boggs, et al. v. Divested Atomic Corporation, et al.* (Case No. C-1-90-450), was filed in the United States District Court for the Southern District of Ohio by Teresa Boggs and certain other named plaintiffs on behalf of themselves and a putative class comprised of certain other persons who resided near the Portsmouth Uranium Enrichment Complex, a facility owned by the United States Department of Energy located in Pike County, Ohio (the DOE Plant), against Divested Atomic Corporation (DAC), the successor by merger of Goodyear Atomic Corporation (GAC), Goodyear, and Lockheed Martin Energy Systems (LMES). GAC operated the DOE Plant for several years pursuant to a series of contracts with the DOE until LMES assumed operation of the DOE Plant on November 16, 1986. The plaintiffs allege that the operators of the DOE Plant contaminated certain areas near the DOE Plant with radioactive and/or other hazardous materials causing property damage and emotional distress. Plaintiffs claim $300 million in compensatory damages, $300 million in punitive damages and unspecified amounts for medical monitoring and cleanup costs. This civil action is no longer a class action as a result of rulings of the District Court decertifying the class. On June 8, 1998, a civil action, *Adkins, et al. v. Divested Atomic Corporation, et al.* (Case No. C2 98-595), was filed in the United States District Court for the Southern District of Ohio, Eastern Division, against DAC, Goodyear and LMES on behalf of approximately 276 persons who currently reside, or in the past resided, near the DOE Plant. The plaintiffs allege, on behalf of themselves and a putative class of all persons who were residents, property owners or lessees of property subject to alleged windborne particulates and water run off from the DOE Plant, that DAC (and, therefore, Goodyear) and LMES in their operation of the Portsmouth DOE Plant (i) negligently contaminated, and are strictly liable for contaminating, the plaintiffs and their property with allegedly toxic substances, (ii) have in the past maintained, and are continuing to maintain, a private nuisance, (iii) have committed, and continue to commit, trespass, and (iv) violated the Comprehensive Environmental Response, Compensation and Liability Act of 1980. The plaintiffs are seeking $30 million in actual damages, $300 million in punitive damages, other unspecified legal and equitable remedies, costs, expenses and attorney s fees.

Other Matters

In addition to the legal proceedings described above, various other legal actions, claims and governmental investigations and proceedings covering a wide range of matters are pending against us, including claims and proceedings relating to several waste disposal sites that have been identified by the United States Environmental Protection Agency and similar agencies of various States for remedial investigation and cleanup, which sites were allegedly used by us in the past for the disposal of industrial waste materials. Based on available information, we do not consider any such action, claim, investigation or proceeding to be material, within the meaning of that term as used in Item 103 of Regulation S-K and the instructions thereto. For additional information regarding our legal proceedings, refer to the Note to the Financial Statements No. 20, Commitments and Contingent Liabilities included herein, and Note 7 to the unaudited Interim Financial Statements, included herein.

Supplementary Data

The supplementary data specified by Item 302 of Regulation S-K as it relates to quarterly data is included in Management s Discussion and Analysis of Financial Condition and Results of Operations.

MANAGEMENT

Directors and Executive Officers

Set forth below are the names and ages of all of the members of the Board of Directors and executive officers of Goodyear as of the date of this prospectus, all positions with Goodyear presently held by each such person and the positions held by, and principal areas of responsibility of, each such person during the last five years.

The Board of Directors is classified into three classes of directors: Class I, Class II and Class III. At each annual meeting of shareholders, directors of one class are elected, on a rotating basis, to three year terms, to serve as the successors to the directors of the same class whose terms expire at that annual meeting. The current terms of the Class I, Class II and Class III Directors will expire at the 2008, 2007 and 2006 annual meetings, respectively.

Each executive officer is elected by Goodyear s Board of Directors at its annual meeting to a term of one year or until his or her successor is duly elected, except in those instances where the person is elected at other than an annual meeting, in which event such person s term will expire at the next annual meeting.

Name	Age	Position(s) Held
Robert J. Keegan	58	Chairman of the Board, Chief Executive Officer and President
Jonathan D. Rich	50	President, North American Tire
Arthur de Bok	43	President, European Union Tire
Jarro F. Kaplan	58	President, Eastern Europe, Middle East and Africa Tire
Eduardo A. Fortunato	52	President, Latin America Tire
Pierre Cohade	44	President, Asia/Pacific Tire
Timothy R. Toppen	50	President, Engineered Products
Lawrence D. Mason	45	President, North American Tire Consumer Business
Richard J. Kramer	42	Executive Vice President and Chief Financial Officer
Joseph M. Gingo	60	Executive Vice President, Quality Systems and Chief Technical Officer
C. Thomas Harvie	62	Senior Vice President, General Counsel and Secretary
Charles L. Sinclair	54	Senior Vice President, Global Communications
Christopher W. Clark	54	Senior Vice President, Global Sourcing
Kathleen T. Geier	49	Senior Vice President, Human Resources
Darren R. Wells	39	Senior Vice President, Business Development and Treasurer
Thomas A. Connell	56	Vice President and Controller
Donald D. Harper	58	Vice President
William M. Hopkins	61	Vice President
Isabel H. Jasinowski	56	Vice President
Gary A. Miller	59	Vice President
James C. Boland	65	Director
John G. Breen	71	Director
Gary D. Forsee	55	Director
William J. Hudson, Jr.	71	Director

Name	Age	Position(s) Held
Steven A. Minter	67	Director
Denise M. Morrison	51	Director
Rodney O Neal	52	Director
Shirley D. Peterson	64	Director
Thomas H. Weidemeyer	58	Director

Robert J. Keegan, Chairman, President and Chief Executive Officer. Mr. Keegan joined Goodyear on October 1, 2000. He was elected President and Chief Operating Officer and a Director of the Company on October 3, 2000, and President and Chief Executive Officer of the Company effective January 1, 2003. Effective June 30, 2003, he became Chairman. He is the principal executive officer of the Company. Prior to joining Goodyear, Mr. Keegan held various marketing, finance and managerial positions at Eastman Kodak Company from 1972 through September 2000, including Vice President from July 1997 to October 1998, Senior Vice President from October 1998 to July 2000 and Executive Vice President from July 2000 to September 2000. Mr. Keegan is a Class II director.

Jonathan D. Rich, President, North American Tire. Mr. Rich joined Goodyear in September 2000 and was elected President, Chemical Division on August 7, 2001, serving as the executive officer responsible for Goodyear s chemical products operations worldwide. Effective December 1, 2002, Mr. Rich was appointed, and on December 3, 2002 he was elected President, North American Tire and is the executive officer responsible for Goodyear s tire operations in the United States and Canada. Prior to joining Goodyear, Mr. Rich was technical director of GE Bayer Silicones in Leverkusen, Germany. He also served in various managerial posts with GE Corporate R&D and GE Silicones, units of the General Electric Company from 1986 to 1998.

Arthur de Bok, President, European Union Tire. On September 16, 2005, Mr. de Bok was appointed president, European Union Tire and was elected to that position on October 4, 2005. After joining Goodyear on December 31, 2001, Mr. de Bok served in various managerial positions in Goodyear s European operations. Prior to joining Goodyear, Mr. de Bok served in various marketing and managerial posts for The Procter & Gamble Company from 1989 to 2001. Mr. de Bok is the executive officer responsible for Goodyear s tire operations in Western Europe.

Jarro F. Kaplan, President, Eastern Europe, Middle East and Africa Region. Mr. Kaplan served in various development and sales and marketing managerial posts until he was appointed Managing Director of Goodyear Turkey in 1993 and thereafter Managing Director of Goodyear Great Britain Limited in 1996. He was appointed Managing Director of Deutsche Goodyear in 1999. On May 7, 2001, Mr. Kaplan was elected President, Eastern Europe, Middle East and Africa and is the executive officer responsible for Goodyear s tire operations in Eastern Europe, the Middle East and Africa. Goodyear employee since 1969.

Eduardo A. Fortunato, President, Latin American Tire. Mr. Fortunato served in various international managerial, sales and marketing posts with Goodyear until he was elected President and Managing Director of Goodyear Brazil in 2000. On November 4, 2003, Mr. Fortunato was elected President, Latin American Tire. Mr. Fortunato is the executive officer responsible for Goodyear s tire operations in Mexico, Central America and South America. Goodyear employee since 1975.

Timothy R. Toppen, President, Engineered Products. Mr. Toppen served in various research, technology and marketing posts until April 1, 1997 when he was appointed Director of Research and Development for Engineered Products. Mr. Toppen was elected President, Chemical Division, on August 1, 2000, serving in that office until he was elected President, Engineered Products on August 7, 2001. Mr. Toppen is the executive officer responsible for Goodyear s engineered products operations worldwide. Goodyear employee since 1978.

Pierre Cohade, President, Asia/ Pacific Tire. Mr. Cohade joined Goodyear in October, 2004 and was elected President Asia/ Pacific Tire on October 5, 2004. Mr. Cohade is the executive officer responsible for Goodyear s tire operations in Asia, Australia and the Western Pacific. Prior to joining Goodyear, Mr. Cohade

served in various finance and managerial posts with the Eastman Kodak Company from 1985 to 2001, including chairman of Eastman Kodak s Europe, Africa, Middle East and Russian Region from 2001 to 2003. From February 2003 to April 2004, Mr. Cohade served as the Executive Vice President of Groupe Danone s beverage division.

Lawrence D. Mason, President, North American Tire Consumer Business. Mr. Mason joined Goodyear on October 7, 2003 and was elected President, North American Tire Consumer Business effective October 13, 2003. Mr. Mason is the executive officer responsible for the business activities of Goodyear s tire consumer business in North America. Prior to joining Goodyear, Mr. Mason was employed by Huhtamaki Americas as Division President of North American Foodservice and Retail Consumer Products from 2002 to 2003. From 1983 to 2001, Mr. Mason served in various sales and managerial posts with The Procter & Gamble Company.

Richard J. Kramer, Executive Vice President and Chief Financial Officer. Mr. Kramer joined Goodyear on March 6, 2000, when he was appointed a Vice President for corporate finance. On April 10, 2000, Mr. Kramer was elected Vice President-Corporate Finance, serving in that capacity as the Company s principal accounting officer until August 6, 2002, when he was elected Vice President, Finance North American Tire. Effective August 28, 2003 he was appointed, and on October 7, 2003 he was elected, Senior Vice President, Strategic Planning and Restructuring. He was elected Executive Vice President and Chief Financial Officer on June 1, 2004. Mr. Kramer is the principal financial officer of the Company. Prior to joining Goodyear, Mr. Kramer was an associate of PricewaterhouseCoopers LLP for 13 years, including two years as a partner.

Joseph M. Gingo, Executive Vice President, Quality Systems and Chief Technical Officer. Mr. Gingo served in various research and development and managerial posts until November 5, 1996, when he was elected a Vice President, responsible for Goodyear s operations in Asia, Australia and the western Pacific. On September 1, 1998, Mr. Gingo was placed on special assignment with the office of the Chairman of the Board. From December 1, 1998 to June 30, 1999, Mr. Gingo served as the Vice President responsible for Goodyear s worldwide Engineered Products operations. Effective July 1, 1999 to June 1, 2003, Mr. Gingo served as Senior Vice President, Technology and Global Products Planning. On June 2, 2003, Mr. Gingo was elected Executive Vice President, Quality Systems and Chief Technical Officer. Mr. Gingo is the executive officer responsible for Goodyear s research and tire technology development and product planning operations worldwide. Goodyear employee since 1966.

C. Thomas Harvie, Senior Vice President, General Counsel and Secretary. Mr. Harvie joined Goodyear on July 1, 1995, when he was elected a Vice President and the General Counsel. Effective July 1, 1999, Mr. Harvie was appointed, and on August 3, 1999 he was elected, Senior Vice President and General Counsel. He was elected Senior Vice President, General Counsel and Secretary effective June 16, 2000. Mr. Harvie is the chief legal officer and is the executive officer responsible for the government relations and real estate activities of Goodyear.

Charles L. Sinclair, Senior Vice President, Global Communications. Mr. Sinclair served in various public relations and communications positions until 2002, when he was named Vice President, Public Relations and Communications for North American Tire. Effective June 16, 2003, he was appointed, and on August 5, 2003, he was elected Senior Vice President, Global Communications. Mr. Sinclair is the executive officer responsible for Goodyear s worldwide communications activities. Goodyear employee since 1984.

Christopher W. Clark, Senior Vice President, Global Sourcing. Mr. Clark served in various managerial and financial posts until October 1, 1996, when he was appointed managing director of P.T. Goodyear Indonesia Tbk, a subsidiary of Goodyear. On September 1, 1998, he was appointed managing director of Goodyear do Brasil Produtos de Borracha Ltda, a subsidiary of Goodyear. On August 1, 2000, he was elected President, Latin America Tire. On November 4, 2003, Mr. Clark was named Senior Vice President, Global Sourcing. Mr. Clark is the executive officer responsible for coordinating Goodyear s supply activities worldwide. Goodyear employee since 1973.

Kathleen T. Geier, Senior Vice President, Human Resources. Ms. Geier served in various managerial and human resources posts until July 1, 2002 when she was appointed and later elected, Senior Vice President, Human Resources. Ms. Geier is the executive officer responsible for Goodyear s human resources activities worldwide. Goodyear employee since 1978.

Darren R. Wells, Senior Vice President, Business Development and Treasurer. Mr. Wells joined Goodyear on August 1, 2002 and was elected Vice President and Treasurer on August 6, 2002. On May 11, 2005, Mr. Wells was named Senior Vice President, Business Development and Treasurer. Mr. Wells is the executive officer responsible for Goodyear s treasury operations, risk management and pension asset management activities as well as its worldwide business development activities. Prior to joining Goodyear, Mr. Wells served in various financial posts with Ford Motor Company units from 1989 to 2000 and was the Assistant Treasurer of Visteon Corporation from 2000 to July 2002.

Thomas A. Connell, Vice President and Controller. Mr. Connell joined Goodyear on September 1, 2003 and was elected Vice President and Controller on October 7, 2003. Mr. Connell serves as Goodyear s principal accounting officer. Prior to joining Goodyear, Mr. Connell served in various financial positions with TRW Inc. from 1979 to June 2003, most recently as its Vice President and corporate controller. From 1970 to 1979, Mr. Connell was an audit supervisor with the accounting firm of Ernst & Whinney.

Donald D. Harper, Vice President. Mr. Harper served in various organizational effectiveness and human resources posts until June 1996, when he was appointed Vice President of Human Resources Planning, Development and Change. Effective December 1, 2003, Mr. Harper has served as the Vice President, Human Resources, North America Shared Services. Mr. Harper was elected a Vice President effective December 1, 1998 and is the executive officer responsible for corporate human resources activities in North America. Goodyear employee since 1968.

William M. Hopkins, Vice President. Mr. Hopkins served in various tire technology and managerial posts until appointed Director of Tire Technology for North American Tire effective June 1, 1996. He was elected a Vice President effective May 19, 1998. He served as the executive officer responsible for Goodyear s worldwide tire technology activities until August 1, 1999. Since August 1, 1999, Mr. Hopkins has served as the executive officer responsible for Goodyear s worldwide product marketing and technology planning activities. Goodyear employee since 1967.

Isabel H. Jasinowski, Vice President. Ms. Jasinowski served in various government relations posts until she was appointed Vice President of Government Relations in 1995. On April 2, 2001, Ms. Jasinowski was elected Vice President, Government Relations, serving as the executive officer primarily responsible for Goodyear s governmental relations and public policy activities. Goodyear employee since 1981.

Gary A. Miller, Vice President. Mr. Miller served in various management and research and development posts until he was elected a Vice President effective November 1, 1992. Mr. Miller was elected Purchasing and Chief Procurement Officer in May 2003. He is the executive officer primarily responsible for Goodyear s purchasing operations worldwide. Goodyear employee since 1967.

James C. Boland, Director. Mr. Boland was the President and Chief Executive Officer of Cavs/ Gund Arena Company (the Cleveland Cavaliers professional basketball team and Gund Arena) from 1998 to December 31, 2002, when he became Vice Chairman. Prior to his retirement from Ernst & Young in 1998, Mr. Boland served for 22 years as a partner of Ernst & Young in various roles including Vice Chairman and Regional Managing Partner, as well as a member of the firm s Management Committee. Mr. Boland is a director of Invacare Corporation and The Sherwin-Williams Company.

John G. Breen, Director. Mr. Breen was the Chairman of the Board and Chief Executive Officer of The Sherwin-Williams Company from January 15, 1979 to October 25, 1999, when he retired as Chief Executive Officer. He served as Chairman of the Board of The Sherwin-Williams Company until April 26, 2000, when he retired. He is a director of The Sherwin-Williams Company, Mead Westvaco Corporation, Parker-Hannifin Corporation and The Stanley Works.

Gary D. Forsee, Director. Mr. Forsee has served as Sprint Corp. s Chief Executive Officer since March 19, 2003. Mr. Forsee has also served as Sprint s Chairman of the Board of Directors since May 12, 2003. Prior to joining Sprint Mr. Forsee served as the Vice Chairman-Domestic Operations of BellSouth Corporation from December 2001 to February 2003, and held other managerial positions at BellSouth from September 1999 to December 2001. Prior to joining BellSouth, Mr. Forsee was President and Chief Executive Officer of Global One, a global telecommunications joint venture, from January 1998 to July 1999.

William J. Hudson, Jr., Director. Mr. Hudson was the President and Chief Executive Officer of AMP, Incorporated from January 1, 1993 to August 10, 1998. Mr. Hudson served as the Vice Chairman of AMP, Incorporated from August 10, 1998 to April 30, 1999. Mr. Hudson is a member of the Executive Committee of the United States Council for International Business.

Steven A. Minter, Director. Mr. Minter was the President and Executive Director of The Cleveland Foundation, Cleveland, Ohio, from January 1, 1984 to June 30, 2003, when he retired. Since September 1, 2003, Mr. Minter has served as a part-time Executive-in-Residence at Cleveland State University. Mr. Minter is a director of KeyCorp and a trustee of The College of Wooster.

Denise M. Morrison. Ms. Morrison has served as the President Global Sales and Chief Customer Officer of Campbell Soup Company since April 2003. Prior to joining Campbell Soup, Ms. Morrison served in various managerial positions at Kraft Foods, including as Executive Vice President/ General Manager of the Snacks Division from October 2001 to March 2003 and the Confections Division from January 2001 to September 2001. Ms. Morrison also served in various managerial positions at Nabisco Inc. from 1995 to 2000 and at Nestle USA from 1984 to 1995. Ms. Morrison is also a director of Ballard Power Systems Inc., a Canadian manufacturer of proton exchange membrane fuel cell products.

Rodney O Neal, Director. Mr. O Neal has served in various managerial positions at Delphi Corporation since 1999 and has served as the President and Chief Operating Officer since January 7, 2005, when he was also elected to Delphi s Board of Directors. Mr. O Neal also served in various managerial and engineering positions at General Motors Corporation from 1976 to 1999, including Vice President of General Motors and President of Delphi Interior Systems prior to Delphi s separation from General Motors.

Shirley D. Peterson, Director. Mrs. Peterson was President of Hood College from 1995-2000. From 1989 to 1993 she served in the U.S. Government, first appointed by the President as Assistant Attorney General in the Tax Division of the Department of Justice, then as Commissioner of the Internal Revenue Service. She was also a partner in the law firm of Steptoe & Johnson LLP where she served a total of 22 years from 1969 to 1989 and from 1993 to 1994. Mrs. Peterson is also a director of AK Steel Corp., Champion Enterprises Federal-Mogul Corp., Wolverine World Wide, Inc. and is an independent trustee for Scudder Mutual Funds.

Thomas H. Weidemeyer. Until his retirement in December 2003, Mr. Weidemeyer served as Director, Senior Vice President and Chief Operating Officer of United Parcel Service, Inc., the world s largest transportation company, since January 2001, and President of UPS Airlines since June 1994. Mr. Weidemeyer became Manager of the Americas International Operation in 1989, and in that capacity directed the development of the UPS delivery network throughout Central and South America. In 1990, Mr. Weidemeyer became Vice President and Airline Manager of UPS Airlines and in 1994 was elected its President and Chief Operating Officer. Mr. Weidemeyer became Manager of the Air Group and a member of the Management Committee that same year. In 1998 he was elected as a Director and he became Chief Operating Officer of United Parcel Service, Inc. in 2001. Mr. Weidemeyer is also a director of NRG Energy, Inc. and Waste Management, Inc.

Compensation of Directors

Goodyear directors who are not officers or employees of Goodyear or any of its subsidiaries receive, as compensation for their services as a director, $17,500 per calendar quarter. The Presiding Director receives an additional $13,750 per calendar quarter. The chairperson of the Audit Committee receives an additional $3,750 per calendar quarter and the chairpersons of all other committees receive an additional $1,250 per calendar quarter. Any director who attends more than 24 board and committee meetings will receive $1,700 for each additional meeting attended ($1,000 if the meeting is attended by telephone). Travel and lodging expenses incurred in attending board and committee meetings are paid by Goodyear. A director who is also an officer or an employee of Goodyear or any of its subsidiaries does not receive additional compensation for his or her services as a director.

Directors who are not current or former employees of Goodyear or its subsidiaries participate in the Outside Directors Equity Participation Plan (the Directors Equity Plan). The Directors Equity Plan is intended to further align the interests of directors with the interests of shareholders by making part of each director s compensation dependent on the value and appreciation over time of the Common Stock. Under the Directors Equity Plan, on the first business day of each calendar quarter each eligible director who has been a director for the entire preceding calendar quarter will have $20,000 accrued to his or her plan account. On April 13, 2004, individuals who had served as director since October 1, 2003 had an additional $20,000 accrued to their account pursuant to an April 13, 2004 amendment to the Directors Equity Plan. Amounts accrued are converted into units equivalent in value to shares of Common Stock at the fair market value of the Common Stock on the accrual date. The units will receive dividend equivalents at the same rate as the Common Stock, which dividends will also be converted into units in the same manner. The Directors Equity Plan also permits each participant to annually elect to have 25%, 50%, 75% or 100% of his or her retainer and meeting fees deferred and converted into share equivalents on substantially the same basis.

A participating director is entitled to benefits under the Directors Equity Plan after leaving the Board of Directors unless the Board of Directors elects to deny or reduce benefits. Benefits may not be denied or reduced if, prior to leaving the Board of Directors, the director either (i) attained the age of 70 with at least five years of Board service or (ii) attained the age of 65 with at least ten years of Board service. The units will be converted to a dollar value at the price of the Common Stock on the later of the first business day of the seventh month following the month during which the participant ceases to be a director and the fifth business day of the year next following the year during which the participant ceased to be a director. Such amount will be paid in ten annual installments or, at the discretion of the Compensation Committee, in a lump sum or in fewer than ten installments beginning on the fifth business day following the aforesaid conversion from units to a dollar value. Amounts in Plan accounts will earn interest from the date converted to a dollar value until paid at a rate one percent higher than the prevailing yield on United States Treasury securities having a ten-year maturity on the conversion date.

The units accrued to the accounts of the participating directors under the Directors Equity Plan at September 30, 2005 are set forth in the Deferred Share Equivalent Units column of the Beneficial Ownership of Directors and Management table set forth in Security Ownership of Certain Beneficial Owners and Management.

Goodyear also sponsors a Directors Charitable Award Program funded by life insurance policies owned by Goodyear on the lives of pairs of directors. Goodyear donates $1 million per director to one or more qualifying charitable organizations recommended by each director after both of the paired directors are deceased. Assuming current tax laws remain in effect, Goodyear will recover the cost of the program over time with the proceeds of the insurance policies purchased. Directors derive no financial benefit from the program. This program is only available to current directors. Future directors will not be offered the program.

Compensation of Executive Officers

Summary of Compensation

The table below sets forth information regarding the compensation of the Chief Executive Officer of Goodyear and the persons who were, at December 31, 2004, the other four most highly compensated executive officers of Goodyear (the Named Officers) for services in all capacities to Goodyear and its subsidiaries during 2004, 2003 and 2002.

					Long-Term Compensation			
		Annual Compensation			**Awards**		**Payouts**	
Name and Principal Position	**Year**	**Salary (Dollars)**	**Bonus (Dollars)(1)**	**Other Annual Compensation (Dollars)(2)**	**Restricted Stock Award(s) (Dollars)(3)**	**Securities Underlying Options/ SARs (Number of Shares)**	**Long Term Incentive Plan Payouts (Dollars)(4)**	**All Other Compensation (Dollars)(5)**
Robert J. Keegan	2004	$ 1,050,000	$ 2,600,000			261,548	$ 472,113	$ 1,000,000
Chairman of the Board, Chief Executive Officer and President(6)	2003	1,000,000	509,200			200,000		
	2002	840,000				140,000		5,100
Jonathan D. Rich	2004	420,000	680,000			52,000	55,080	500,000
President, North American Tire(7)	2003	345,000	63,476			45,000		
	2002	223,333	131,770			25,000		5,100
C. Thomas Harvie	2004	431,000	560,000			49,087	157,371	200,000
Senior Vice President, General Counsel and Secretary	2003	415,000	175,000			42,700		
	2002	415,000	102,537			32,000		6,655
Richard J. Kramer	2004	378,750	587,704			47,861	78,686	500,000
Executive Vice President and	2003	300,000	50,496			41,600		
	2002	289,583	251,216		$ 155,400	26,000		5,782

Chief Financial Officer(8)								
Michael J. Roney(9)	2004	394,667	570,000	$ 132,665		48,000	157,371	664,152
President	2003	380,000	133,000	147,754		37,300		271,450
European Union Tire	2002	370,000	224,000	153,251		28,000		181,509

(1) Represents amounts awarded under the Performance Recognition Plan. Additional information regarding the amounts awarded to the Named Officers and other executive officers under the Performance Recognition Plan is set forth below under Other Compensation Plan Information Performance Recognition Plan. In addition, the amount reported for Mr. Kramer in 2002 includes an award of 15,000 shares of unrestricted stock on August 6, 2002 valued at $233,250.

(2) These amounts represent reimbursements made to Mr. Roney for incremental taxes resulting from his foreign assignment.

(3) Mr. Kramer purchased 10,000 shares of Common Stock for a purchase price of $.01 per share on August 6, 2002. Through August 6, 2005, the shares are subject to transfer and other restrictions and to Goodyear s option to repurchase under specified circumstances at a price of $.01 per share. The dollar value reported ($155,400) represents the market value of the shares at the date of grant ($15.55 per share on August 6, 2002), less the purchase price. The restrictions and Goodyear s option in respect of all 10,000 shares of Common Stock will lapse if Mr. Kramer continues to be a Goodyear employee through August 5, 2005. If Mr. Kramer ceases to be an employee prior to that date due to his death or disability, he will be entitled to receive 277 of the shares of Common Stock for each full month of service. Mr. Kramer receives all dividends, if any, paid on the shares of Common Stock. The value of the 10,000 shares of Common Stock (net of the purchase price) was $156,600 at December 31, 2004, based on a closing price on the New York Stock Exchange of $15.67 per share on that date. No other shares of restricted stock were granted, awarded or issued by Goodyear to any Named Officer during 2004, 2003 or 2002.

(4) The payouts for 2004 relate to performance equity units granted on December 3, 2001 and August 6, 2002. Amounts earned were determined by the extent to which the performance goals related to the units were achieved during the three year performance period ended December 31, 2004. Payouts are to be made 50% in cash and 50% in shares of Common Stock. The performance measure for 50% of each unit was based on Goodyear s average annual return on invested capital and the other 50% was based on

Goodyear s total shareholder return relative to a peer group consisting of the firms included in the S&P Auto Parts & Equipment Index. Payouts ranging from 0% to 150% of the units granted could have been earned. Amounts earned were determined based on Goodyear s average annual total shareholder return (potential payouts ranged from 30% of the units if the total shareholder return equaled or exceeded the 30th percentile of the peer group to 75% of the units if Goodyear s total shareholder return during the relevant performance period equaled or exceeded the 75th percentile of the peer group) and its return on the invested capital (with potential payouts ranging from 35% of the units if a 7.6% average annual return were achieved to 75% of the units if a 13.6% average annual return were achieved) during the performance period. As a result of the achievement of the target levels during the performance period, each participant earned 89.64% of the units granted. The value of each unit, $14.63, is based on the average of the high and low sale price of the Common Stock on December 31, 2004.

(5) All Other Compensation for each Named Officer in 2004 consists of the guaranteed payout related to grants to the Named Officers under the Executive Performance Plan (the EP Plan). This payout will only be made if the Named Officer remains an employee of Goodyear through December 31, 2006. Additional information on grants made under the EP Plan is set forth below under Long Term Incentive Awards. In addition, with respect to Mr. Roney, all other compensation includes payments generally applicable to employees temporarily assigned outside their home countries in an amount aggregating $264,152. This amount includes a foreign housing allowance, tuition for foreign schooling and a foreign service premium payment.

(6) Mr. Keegan became a Goodyear employee on October 1, 2000 and served as President and Chief Operating Officer from October 3, 2000 until he was elected the President and Chief Executive Officer effective January 1, 2003. Mr. Keegan became Chairman of the Board effective June 30, 2003.

(7) Mr. Rich has served as President of North American Tire since December of 2002. He previously served as President of Chemical Products.

(8) Mr. Kramer has served as Executive Vice President and Chief Financial Officer since June of 2004. He previously served as Vice President-Corporate Finance from March 2000 to July 2002, Vice President, Finance-North American Tire from July 2002 to August 2003 and Senior Vice President, Strategic Planning and Restructuring from September 2003 to June 2004.

(9) Mr. Roney served as President, European Union Tire until September 16, 2005.

Option/ SAR Grants In 2004

The table below shows all grants of stock options and SARs during 2004 to the Named Officers. Ordinarily, Stock Options and SARs are granted annually in December of each year.

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (Dollars)(3)	
Name	**Number of Securities Underlying Options/SARs Granted (Number of Shares)(1)**	**% of Total Options/SARs Granted to Employees in 2004**	**Exercise or Base Price (Dollars per Share)(2)**	**Expiration Date**	**5%**	**10%**
	233,000	5.6%	$ 12.54	12-9-14	$ 1,838,370	$ 4,657,670

Robert J. Keegan						
	28,548	7	10.91	12-3-12	507,298	807,908
Jonathan D. Rich	52,000	1.3	12.54	12-9-14	410,280	1,039,480
C. Thomas Harvie	43,000	1.0	12.54	12-9-14	339,270	859,570
	6,087	.2	12.27	12-3-12	121,679	193,749
Richard J. Kramer	45,000	1.1	12.54	12-9-14	355,050	899,550
	2,861	.1	12.21	12-3-12	56,905	90,608
Michael J. Roney	48,000	1.2	12.54	12-9-14	378,720	959,520

(1) On December 9, 2004, stock options in respect of an aggregate of 4,031,135 shares of Common Stock were granted to 867 persons, including the Named Officers. In the case of each Named Officer, incentive stock options were granted on December 9, 2004 in respect of 7,800 shares. All other shares are the

subject of non-qualified stock options. Each stock option will vest at the rate of 25% per annum. Each unexercised stock option terminates automatically if the optionee ceases to be an employee of Goodyear or one of its subsidiaries for any reason, except that (a) upon retirement or disability of the optionee more than six months after the grant date, the stock option will become immediately exercisable and remain exercisable until its expiration date, and (b) in the event of the death of the optionee more than six months after the grant thereof, each stock option will become exercisable and remain exercisable for up to three years after the date of death of the optionee. Each option also includes the right to the automatic grant of a new option (a reinvestment option) for that number of shares tendered in the exercise of the original stock option. The reinvestment option will be granted on, and will have an exercise price equal to the fair market value of the Common Stock on, the date of the exercise of the original stock option and will be subject to the same terms and conditions as the original stock option except for the exercise price and the reinvestment option feature. The following reinvestment options were granted during 2004: Mr. Keegan, 28,548 shares on August 19, 2004; Mr. Harvie, 6,087 shares on November 18, 2004; and Mr. Kramer, 2,861 shares on November 23, 2004.

(2) The exercise price of each stock option is equal to 100% of the per share fair market value of the Common Stock on the date granted. The option exercise price and/or withholding tax obligations may be paid by delivery of shares of Common Stock valued at the market value on the date of exercise.

(3) The dollar amounts shown reflect calculations at the 5% and 10% rates set by the Securities and Exchange Commission and, therefore, are not intended to forecast possible future appreciation, if any, of the price of the Common Stock. No economic benefit to the optionees is possible without an increase in price of the Common Stock, which will benefit all shareholders commensurately.

Option/ SAR 2003 Exercises and Year-End Values

The table below sets forth certain information regarding option and SAR exercises during 2004, and the value of options/ SARs held at December 31, 2004, by the Named Officers.

			Number of Securities Underlying Unexercised Options/SARs at December 31, 2004 (Number of Shares)		Value of Unexercised In-the-Money Options/SARs at December 31, 2004 (Dollars)(1)	
Name	**Shares Acquired on Exercise (Number of Shares)**	**Value Realized (Dollars)**	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Robert J. Keegan	35,000	$ 103,775	482,500	504,048	$ 627,700	$ 2,248,915
Jonathan D. Rich	-0-	-0-	40,550	101,850	172,313	459,178
C. Thomas Harvie	8,000	34,600	167,675	105,112	137,559	464,624
Richard J. Kramer	3,750	16,013	70,650	97,061	106,840	397,729
Michael J. Roney	-0-	-0-	116,875	96,225	167,281	415,444

(1) Determined using $14.66 per share, the closing price of the Common Stock on December 31, 2004, as reported on the New York Stock Exchange Composite Transactions tape.

Long Term Incentive Awards

The table below sets forth the long term incentive grants made in 2004 to the Named Officers, all of which were grants made under the Executive Performance Plan.

Name	Number of Units(1)	Performance or Other Period Until Maturation or Pay-Out	Estimated Future Pay-Outs Under Non-Stock Price-Based Plans(2) Threshold	Target	Maximum
Robert J. Keegan	40,000	1/1/04-12/31/06	$ 1,000,000	$ 4,000,000	$ 8,000,000
	44,000	1/1/05-12/31/07		4,400,000	8,800,000
Jonathan D. Rich	10,000	1/1/04-12/31/06	500,000	1,000,000	2,000,000
	11,000	1/1/05-12/31/07		1,100,000	2,200,000
C. Thomas Harvie	8,000	1/1/04-12/31/06	200,000	800,000	1,600,000
	8,300	1/1/05-12/31/07		830,000	1,660,000
Richard J. Kramer	10,000	1/1/04-12/31/06	500,000	1,000,000	2,000,000
	10,700	1/1/05-12/31/07		1,070,000	2,140,000
Michael J. Roney	8,000	1/1/04-12/31/06	400,000	800,000	1,600,000

(1) Represents units granted under the Executive Performance Plan. Following the respective performance period, each unit will have a value of between $0 to $200 depending upon the level of achievement of the performance measures. The performance measure for 50% of each unit is based on a cumulative target level of net income over the performance period. The other 50% is based on a cumulative target level of total cash flow over the performance period.

(2) The target amount represents the amount to be paid if the units are paid out at a value of $100 per unit. The maximum amount represents the amount to be paid if the units are paid out of a value of $200 per unit. With respect to the units with a performance period ending December 31, 2007, no award will be paid out if the minimum target levels of net income and cash flow are not achieved. With respect to the units with a performance period ending December 31, 2006, the threshold amount represents the amount guaranteed to be paid if the Named Officer remains in the continuous employ of the Company through the performance period.

Other Compensation Plan Information

Performance Recognition Plan

Approximately 806 key employees, including all executive officers of Goodyear, will participate in the Performance Recognition Plan of Goodyear (the Performance Plan) for plan year 2005. On December 9, 2004, the Compensation Committee selected the participants, established their respective target bonuses, and, on February 22, 2005, approved the performance criteria and goals. Awards in respect of plan year 2005 will be made in 2006 based on each participant s level of achievement of his or her goals, the Chief Executive Officer s (or, in the case of participants who are not officers, other officers of Goodyear) evaluation of the extent of the participant s contribution to Goodyear, and the Committee s determination of the amount available for payment to the relevant group of participants. Awards, if any, are generally paid in cash, although executive officers may elect to defer all or a portion of their award in the form of cash or stock units. If deferred in the form of stock units, the Company will match 20% of the amount deferred. The stock units are converted to shares of common stock and paid to the participant on the first business day of the third year following the end of the plan year under which the award was earned. Target bonuses under the Performance Plan have been established for calendar year 2005 as follows: Mr. Keegan, $1,500,000; Mr. Rich, $385,000; Mr. Harvie, $290,000; Mr. Kramer, $330,000; and Mr. Roney, $361,000 and all participants (806 persons as a group), approximately $27.8 million.

Executive Performance Plan

On December 1, 2003, the Compensation Committee established the Executive Performance Plan (the EP Plan). The purpose of the EP Plan is to provide long-term incentive compensation opportunities to attract, retain and reward key personnel and to motivate key personnel to achieve business objectives. Upon the attainment of performance goals established by the Committee, participants will be eligible to receive a cash award at the end of the performance period subject to adjustment and approval by the Committee. Grants under the EP Plan have a three year performance period and payment on each unit may range between $0 and $200, depending upon the attainment of the performance criteria and assuming the recipient remains in the continuous employ of the Company through the performance period. The performance criteria for the performance period is based 50% on net income and 50% on total cash flow.

In 2004, an aggregate of 326,100 units were granted to executive officers and key employees under the EP Plan. As a result of retention considerations, 172,900 units granted under the EP Plan in 2004 are subject to a guaranteed minimum payout of between $25 and $50 per unit. These grants are payable in 2007 based on a performance period ending December 31, 2006. The remaining units granted do not have a guaranteed minimum payout and are payable in 2008 based on a performance period ending December 31, 2007.

Savings Plan

Goodyear sponsors the Employee Savings Plan for Salaried Employees (the Savings Plan). An eligible employee, including officers, may contribute 1% to 50% of his or her compensation to the Savings Plan, subject to an annual contribution ceiling ($14,000 in 2005). Savings Plan participants who are age 50 or older and contributing at the maximum plan limits or at the annual contribution ceiling are entitled to make catch-up contributions annually up to a specified amount ($4,000 in 2005). Contributions to the Savings Plan are not included in the current taxable income of the employee pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended. Employee contributions are invested, at the direction of the participant, in any one or more of the nine available funds and/or in mutual funds under a self directed account. Prior to January 1, 2003, Goodyear matched at a 50% rate each dollar contributed by a participating employee up to a maximum of the lesser of (i) 6% of the participant s annual compensation or (ii) legally imposed limits. Goodyear contributions were invested by the Savings Plan trustee in shares of Common Stock. Goodyear suspended the matching program effective January 1, 2003.

Eligible employees hired after January 1, 2005 will not participate in the pension plan described below, but will receive company contributions to their Savings Plan accounts in an amount equal to 5% of compensation up to the Social Security wage base ($90,000 in 2005), plus 11.2% of compensation in excess of the wage base. The maximum company contribution for any individual in 2005 is $17,940.

Severance Plan

The Goodyear Employee Severance Plan (the Severance Plan), adopted on February 14, 1989, provides that, if a full-time salaried employee of Goodyear or any of the domestic subsidiaries (who participates in the Salaried Pension Plan) with at least one year of service is involuntarily terminated (as defined in the Severance Plan) within two years following a change in control, the employee is entitled to severance pay, either in a lump sum or, at the employee s election, on a regular salary payroll interval basis.

The severance pay will equal the sum of (a) two weeks pay for each full year of service with Goodyear and its subsidiaries and (b) one month s pay for each $12,000 of total annual compensation (the base salary rate in effect at the date of termination, plus all incentive compensation received during the twelve months prior to his or her separation). Severance pay may not exceed two times the employee s total annual compensation.

In addition, medical benefits and basic life insurance coverage will be provided to each employee on the same basis as in effect prior to his or her separation for a period of weeks equal to the number of weeks of severance pay. A change in control is deemed to occur upon the acquisition of 35% or more of the Common

Stock by any acquiring person or any change in the composition of the Board of Directors of Goodyear with the effect that a majority of the directors are not continuing directors.

If the Named Officers had been involuntarily terminated as of December 31, 2004 (following a change in control), the amount of severance pay due would have been: Mr. Keegan, $3,118,400; Mr. Rich, $966,952; Mr. Harvie, $1,212,000; Mr. Kramer, $970,992; and Mr. Roney, $1,070,000.

The Company also follows general guidelines for providing severance benefits to executive officers of the Company whose employment terminates prior to retirement, and under appropriate circumstances. Executive officers eligible for such benefits typically receive a separation allowance based on individual circumstances, including length of service, in an amount generally equivalent to 6 to 18 months of base salary plus an amount based on the individual s target bonus then in effect over an equivalent period. The separation allowance may be paid in a single lump sum or in installments. The Company may also provide limited outplacement and personal financial planning services to eligible executive officers following their termination.

Deferred Compensation Plan

Goodyear s Deferred Compensation Plan for Executives provides that an eligible employee may elect to defer all or a portion of his or her Performance Plan award and/or annual salary by making a timely deferral election. Several deferral period options are available. All amounts deferred earn amounts equivalent to the returns on one or more of five reference investment funds, as selected by the participant. The plan was amended in 2002 to eliminate a provision that required the automatic deferral of any cash compensation earned which, if paid as and when due, would not be deductible by Goodyear for federal income tax purposes by reason of Section 162(m) of the Code.

Retirement Benefits

Goodyear maintains a Salaried Pension Plan (the Pension Plan), a defined benefit plan qualified under the Code, in which many salaried employees, including most executive officers, hired prior to January 1, 2005 participate. The Pension Plan permits any eligible employee to make monthly optional contributions of 1% of the first $45,000 of compensation and 2% on compensation between $45,000 and $210,000 in 2005. The Code limits the maximum amount of earnings that may be used in calculating benefits under the Pension Plan, which limit is $210,000 for 2005. The Pension Plan provides benefits to participants who have at least five years of service upon any termination of employment. Under the Pension Plan, benefits payable to a participant who retires prior to age 65 are subject to a reduction for each full month of retirement before age 65.

Goodyear also maintains a Supplementary Pension Plan (the Supplementary Plan), a non-qualified plan partially funded by a Rabbi Trust which provides additional retirement benefits to certain officers. The Supplementary Plan provides pension benefits to participants who have at least 30 years of service or have ten years of service and are age 55 or older. Under the Supplementary Plan, benefits payable to a participant who retires prior to age 62 are subject to a reduction for each month of retirement before age 62.

Participants may elect a lump sum payment of benefits under the Pension Plan and the Supplementary Plan (the Pension Plans) for benefits accrued prior to January 1, 2005, subject to the approval of the Company s ERISA appeals committee in respect of benefits under the Supplementary Plan. For benefits accrued after January 1, 2005, a lump sum will be the default form of payment; however, these benefits cannot be distributed prior to six months after separation of service.

The table below shows estimated annual benefits payable at selected earnings levels under the Pension Plans assuming retirement on July 1, 2005 at age 65 after selected periods of service. The amounts shown in the table include the estimated benefits provided under both the Pension Plan and the Supplementary Plan.

The pension benefit amounts shown include the maximum benefits obtainable and assume payments are made on a five year certain and life annuity basis and are not subject to any deduction for social security or any other offsets. Pension benefits are based on the retiree s highest average annual earnings, consisting of salary and cash payments under the Performance Recognition Plan, for any five calendar years out of the ten years immediately preceding his or her retirement (assuming full participation in the contributory feature of the Pension Plan).

Earnings covered by the Pension Plans are substantially equivalent to the sum of the amounts set forth under the Salary and Bonus columns of the Summary Compensation Table set forth below under Summary of Compensation. The years of credited service used to determine the amounts in the table for the Named Officers are: Mr. Keegan, 33 years; Mr. Rich, 4 years; Mr. Harvie, 29 years; Mr. Kramer, 4 years; and Mr. Roney, 23 years. As described below in Employment Agreement, Mr. Keegan s years of credited service include his years of service with Eastman Kodak Company. Mr. Harvie s years of credited service also include his years of service with his prior employer. The benefits paid to Mr. Keegan and Mr. Harvie under the Pension Plans will be reduced by amounts they are entitled to receive under the pension plans maintained by their prior employers.

	Estimated Annual Benefits Upon Retirement at July 1, 2005, for Years of Service Indicated					
5 Year Average Annual Remuneration	**10 Years**	**15 Years**	**20 Years**	**25 Years**	**30 Years**	**35 Years**
$ 250,000	$ 50,355	$ 68,881	$ 87,158	$ 99,137	$ 111,170	$ 118,400
500,000	105,355	143,881	182,158	206,637	231,170	245,900
750,000	160,355	218,881	277,158	314,137	351,170	373,400
1,000,000	215,355	293,881	372,158	421,637	471,170	500,900
1,250,000	270,355	368,881	467,158	529,137	591,170	628,400
1,500,000	325,355	443,881	562,158	636,637	711,170	755,900
1,750,000	380,355	518,881	657,158	744,137	831,170	883,400
2,000,000	435,355	593,881	752,158	851,637	951,170	1,010,900
2,500,000	545,355	743,881	942,158	1,066,637	1,191,170	1,265,900
3,000,000	655,355	893,881	1,132,158	1,281,637	1,431,170	1,520,900
3,500,000	765,355	1,043,881	1,322,158	1,496,637	1,671,170	1,775,900
4,000,000	875,355	1,193,881	1,512,158	1,711,637	1,911,170	2,030,900

Compensation Committee Interlocks and Insider Participation

During fiscal year 2004, the Compensation Committee consisted of the following directors: John G. Breen (chair), James C. Boland, Gary D. Forsee and William J. Hudson, Jr. None of our executive officers serves as a member of the compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or compensation committee. None of the members of our compensation committee has ever been our employee.

Employment Agreement

Mr. Keegan and Goodyear entered into an agreement, dated September 11, 2000, which provided, among other things, for the employment of Mr. Keegan as President and Chief Operating Officer.

As contemplated by the agreement, on December 4, 2000, Mr. Keegan was granted stock options for 80,000 shares of Common Stock at an exercise price of $17.68 per share and on December 5, 2000 he was awarded performance unit grants for 12,000 units for the performance period ending December 31, 2001, for 24,000 units for the performance period ending December 31, 2002, and for 36,000 units for the performance period ending December 31, 2003.

In accordance with the agreement and under the 1997 Plan, Mr. Keegan entered into a Restricted Stock Purchase Agreement dated October 3, 2000, pursuant to which he purchased 50,000 shares of the Common Stock for $.01 per share, which shares could not be transferred by Mr. Keegan prior to October 3, 2002 and were subject to a repurchase option whereby Goodyear could have repurchased all or a portion of such shares at $.01 per share through October 3, 2002 if Mr. Keegan ceased to be employed by Goodyear for any reason (other than his death or disability) prior to October 3, 2002. On October 3, 2002 Goodyear s conditional repurchase option expired and all other restrictions on transfer lapsed.

Mr. Keegan will also receive a total pension benefit equal to what he would have earned under the Pension Plans if his service with Goodyear were equal to the total of his service with Goodyear and Eastman Kodak Company. He also receives the same non-salary benefits generally made available to Goodyear executive officers.

Mr. Keegan s agreement was supplemented on February 3, 2004 to provide for the payment of severance compensation to Mr. Keegan upon the termination of his employment with Goodyear under the circumstances outlined in the supplemental agreement. If paid, the severance compensation would consist of (i) two times the sum of Mr. Keegan s annual base salary and target bonus then in effect, plus (ii) the pro rata portion of Mr. Keegan s target bonus for the then current fiscal year. In the event that severance compensation is paid to Mr. Keegan under the agreement, the agreement restricts Mr. Keegan from participating in any business that competes with Goodyear for a period of two years. The term of the supplemental agreement is from February 3, 2004 to February 28, 2009. If Mr. Keegan s employment was terminated as of December 31, 2004 and the supplemental agreement was in effect at that time, the amount of severance due Mr. Keegan would have been $6,000,000. This amount would not be payable if Mr. Keegan received benefits under the previously described Severance Plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The firm identified in the table below has reported that it beneficially owned more than five percent of our Common Stock.

Name and Address	Shares of Common Stock Beneficially Owned	Percent of Class
Brandes Investment Partners, L.P. and related parties 11988 El Camino Real, Suite 500 San Diego, California 92130	30,214,095(1)	17.1%
State Street Bank and Trust Company, acting in various fiduciary capacities 225 Franklin Street Boston, Massachusetts 02110	9,223,879(2)	5.2%
Impala Asset Management LLC 134 Main Street New Caanan, Connecticut 06840	8,878,400(3)	5.0%

(1) As set forth in a Form 13F filed with the SEC on August 15, 2005.

(2) As set forth in a Schedule 13G filed with the SEC on November 10, 2005.

(3) As set forth in a Schedule 13G filed with the SEC on October 11, 2005.

In addition, The Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60675, has indicated that, at September 30, 2005, it held 18,452,204 shares, or approximately 10.5% of the outstanding shares of our Common Stock, as the trustee of three employee savings plans sponsored by Goodyear and certain subsidiaries.

On September 30, 2005, each of our directors, each of the executive officers named below and all of our directors and executive officers as a group beneficially owned the number of shares of Common Stock set forth in the table below.

Name	Shares of Common Stock Owned Directly(2)	Shares of Common Stock Held in Savings Plan(3)	Shares of Common Stock Subject to Exercisable Options(4)	Deferred Share Equivalent Units	Percent of Class
James C. Boland	3,000	-0-	-0-	15,364(11)	*
John G. Breen	5,200(5)(6)	-0-	-0-	45,773(11)	*
Gary D. Forsee	1,000	-0-	-0-	20,113(11)	*
C. Thomas Harvie	18,076	1,075	152,087	-0-	*

William J. Hudson, Jr.	5,000	-0-	-0-	34,444(11)	*
Robert J. Keegan	114,532(7)	433	426,048	-0-	*
Richard J. Kramer	29,802	209	62,111	455(12)	*
Steven A. Minter	3,580(6)	-0-	-0-	26,879(11)	*
Denise M. Morrison	1,100	-0-	-0-	1,335(11)	*
Rodney O Neal	-0-	-0-	-0-	7,349(11)	*
Shirley D. Peterson	-0-	-0-	-0-	5,447(11)	*
Jonathan D. Rich	4,761(8)	3,146	35,896	23,405(12)	*
Michael J. Roney	32,703(9)	213	88,550	697(12)	*
Thomas H. Weidemeyer	1,000	-0-	-0-	2,649(11)	*
All directors and executive officers as a group (29 persons)	337,638(10)	20,371	1,420,992	195,313	1.0%

* Less than 1%.

(1) The number of shares indicated as beneficially owned by each of the director and named executive officers, and the 1,779,001 shares of Common Stock indicated as beneficially owned by each person and the group, has been determined in accordance with Rule 13d-3(d)(1) promulgated under the Securities Exchange Act of 1934.

(2) Unless otherwise indicated in a subsequent note, each person named and each member of the group has sole voting and investment power with respect to the shares of Common Stock shown.

(3) Shares held in trust under Goodyear s Employee Savings Plan for Salaried Employees.

(4) Shares which may be acquired upon the exercise of options which are exercisable prior to August 1, 2005 under Goodyear s 2002 Performance Plan (the 2002 Plan), Goodyear 1997 Performance Incentive Plan (the 1997 Plan) and the 1989 Goodyear Performance and Equity Incentive Plan (the 1989 Plan).

(5) Includes 5,000 shares jointly owned by Mr. Breen and his spouse.

(6) Includes 200 shares acquired pursuant to Goodyear s 1994 Restricted Stock Award Plan for non-employee Directors, which shares are subject to certain restrictions.

(7) Includes 13,000 shares owned by Mr. Keegan s spouse.

(8) Includes 1,000 shares owned jointly by Mr. Rich and his spouse.

(9) Includes 200 shares owned jointly by Mr. Roney and his spouse. Mr. Roney resigned as President, European Union Tire effective September 16, 2005. Mr. Roney remained an employee of Goodyear through October 31, 2005.

(10) Includes 303,140 shares owned of record and beneficially or owned beneficially through a nominee, and 34,498 shares held by or jointly with family members of certain directors and executive officers.

(11) Deferred units, each equivalent to a hypothetical share of Common Stock, accrued to the accounts of the director under Goodyear s Outside Director s Equity Participation Plan, payable in cash following retirement from the Board of Directors.

(12) Units, each equivalent to a hypothetical share of Common Stock, deferred pursuant to performance awards earned under the 2002 Plan, 1997 Plan and the 1989 Plan and receivable in cash, shares of Common Stock, or any combination thereof, at the election of the executive officer.

PLAN OF DISTRIBUTION

Based on interpretations by the SEC set forth in no-action letters issued to third parties, we believe that a holder, other than a person that is an affiliate of ours within the meaning of Rule 405 under the Securities Act or a broker-dealer registered under the Exchange Act that purchases notes from us to resell pursuant to Rule 144A under the Securities Act or any other exemption, that exchanges original notes for exchange notes in the ordinary course of business and that is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the exchange notes will be allowed to resell the exchange notes to the public without further registration under the Securities Act and without delivering to the purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act.

Each broker-dealer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired as a result of market-making activities or other trading activities. We have agreed that, if requested by one or more broker-dealers, to make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale for a period ending on the earlier of (i) 180 days after the completion of the exchange offer and (ii) the date on which such broker-dealer has sold all of its exchange notes. In addition, until February 20, 2006, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

If you wish to exchange your original notes for exchange notes in the exchange offer, you will be required to make representations to us as described in Exchange Offer Resale of Exchange Notes and Exchange Offer Procedures for Tendering Original Notes. As indicated in the letter of transmittal, you will be deemed to have made these representations by tendering your original notes for exchange notes in the exchange offer. In addition, if you are a broker-dealer who receives exchange notes for your own account in exchange for original notes that were acquired by you as a result of market-making activities or other trading activities, you will be required to acknowledge, in the same manner, that you will deliver a prospectus in connection with any resale by you of such exchange notes.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such exchange notes may be deemed to be an underwriter within the meaning of the Securities Act and any profit on any such resale of exchange notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the original notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the original notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

THE EXCHANGE OFFER

General

We are offering to exchange up to $650,000,000 in aggregate principal amount of our notes, comprised of $450,000,000 of 11% Senior Secured Notes due 2011 and $200,000,000 of Senior Secured Floating Rate Notes due 2011, for any and all of the corresponding series of original notes, properly tendered before the expiration date and not withdrawn. We are making the exchange offer for all of the original notes. Your participation in the exchange offer is voluntary, and you should carefully consider whether to accept this offer.

On the date of this prospectus, $650,000,000 in aggregate principal amount of the original notes, comprised of $450,000,000 of 11% Senior Secured Notes due 2011 and $200,000,000 of Senior Secured Floating Rate Notes due 2011, are outstanding. Our obligations to accept original notes for exchange notes pursuant to the exchange offer are limited by the conditions listed below under Conditions to the Exchange Offer. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary.

Purpose of the Exchange Offer

We issued and sold $650,000,000 in aggregate principal amount of the original notes on March 12, 2004 in a transaction exempt from the registration requirements of the Securities Act. Because the sale of the original notes was exempt from registration under the Securities Act, a holder may reoffer, resell or otherwise transfer the original notes only if the original notes are registered under the Securities Act or if an applicable exemption from the registration and prospectus delivery requirements of the Securities Act is available.

In connection with the issuance and sale of the original notes, we entered into the registration rights agreement, pursuant to which we agreed, among other things, to (i) use commercially reasonable efforts to cause the registration statement of which this prospectus is a part to become effective and (ii) use commercially reasonable efforts to complete the exchange offer no later than 60 days after the effective date of the registration statement of which this prospectus is a part.

If there is a change in SEC policy that in the reasonable opinion of our counsel raises a substantial question as to whether the exchange offer is permitted by applicable federal law, we will seek a favorable decision from the staff of the SEC allowing us to consummate the exchange offer. In addition, there are circumstances under which we are required to file a shelf registration statement with respect to resales of the original notes. We have filed a copy of the registration rights agreement as an exhibit to the registration statement on Form S-4 with respect to the exchange notes offered by this prospectus.

We are making the exchange offer to satisfy our obligations under the registration rights agreement. Holders of original notes that do not tender their original notes or whose original notes are tendered but not accepted will have to rely on exemptions to registration requirements under the securities laws, including the Securities Act, if they wish to sell their original notes.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Resale of Exchange Notes

We have not requested, and do not intend to request, an interpretation by the staff of the SEC as to whether the exchange notes issued pursuant to the exchange offer in exchange for the original notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, based on an interpretation by the staff in a series of no-action letters issued to third parties, we believe that exchange notes issued pursuant to the exchange offer in exchange for original notes may be offered for sale, resold and otherwise transferred by any holder of exchange notes if:

- the holder is not our affiliate within the meaning of Rule 405 under the Securities Act;

- the holder is not a broker-dealer who purchases such exchange notes directly from us to resell pursuant to Rule 144A or any other available exception under the Securities Act;

- the exchange notes are acquired in the ordinary course of the holder s business; and

- the holder does not intend to participate in a distribution of the exchange notes.

Any holder who exchanges original notes in the exchange offer with the intention of participating in any manner in a distribution of the exchange notes must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Because the SEC has not considered our exchange offer in the context of a no-action letter, we cannot assure you that the staff would make a similar determination with respect to the exchange offer. Any holder that is an affiliate of ours or that tenders in the exchange offer for the purpose of participating in a distribution of the exchange notes will be deemed to have received restricted securities and will not be allowed to rely on this interpretation by the staff and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If you participate in the exchange offer, you must acknowledge, among other things, that you are not participating in, and do not intend to participate in, a distribution of exchange notes. If you are a broker-dealer that receives exchange notes for your own account in exchange for original notes, and you acquired your original notes as a result of your market-making activities or other trading activities, you must acknowledge that you will deliver a prospectus in connection with any resale of the exchange notes. Please refer to the section in this prospectus entitled Plan of Distribution.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any original notes properly tendered and not withdrawn before expiration of the exchange offer. The date of acceptance for exchange of the original notes and completion of the exchange offer, is the exchange date, which will be the first business day following the expiration date unless we extend the date as described in this prospectus. We will issue $1,000 principal amount of exchange notes in exchange for each $1,000 principal amount of the corresponding series of the original notes surrendered under the exchange offer. The original notes may be tendered only in integral multiples of $1,000. The exchange notes will be delivered on the earliest practicable date following the exchange date.

The form and terms of the exchange notes will be substantially identical to the form and terms of the corresponding series of the original notes, except the exchange notes:

- will be registered under the Securities Act; and

- will not bear legends restricting their transfer.

The exchange notes will evidence the same debt as the original notes. The exchange notes will be issued under and entitled to the benefits of the respective indentures that authorized the issuance of the original notes.

The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange.

As of the date of this prospectus, $650,000,000 in aggregate principal amount of the original notes are outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of original notes. There will be no fixed record date for determining registered holders of original notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC. Original notes that are not exchanged in the exchange offer will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits their holders have under the respective indentures relating to the original notes of such series and the corresponding series of the exchange notes. Holders of original notes do not have any appraisal or dissenters rights under the indentures or otherwise in connection with the exchange offer.

We will be deemed to have accepted for exchange properly tendered original notes when we have given oral or written notice of the acceptance to the exchange agent. The exchange agent will act as agent for the holders of original notes who surrender them in the exchange offer for the purposes of receiving the exchange notes from us and delivering the exchange notes to their holders. The exchange agent will make the exchange as promptly as practicable on or after the date of acceptance for exchange of the original notes. We expressly reserve the right to amend or terminate the exchange offer, and not to accept for exchange any original notes not previously accepted for exchange, upon the occurrence of any of the conditions specified below under Conditions to the Exchange Offer.

Holders who tender original notes in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of original notes. We will pay all charges and expenses, other than applicable taxes described below, in connection with the exchange offer. It is important that you read Solicitation of Tenders; Fees and Expenses and Transfer Taxes below for more details regarding fees and expenses incurred in the exchange offer.

Expiration Date; Extension; Termination; Amendment

The exchange offer will expire at 5:00 p.m., New York City time, on December 21, 2005, unless we have extended the period of time that the exchange offer is open. The expiration date will be at least 20 business days after the beginning of the exchange offer as required by Rule 14e-1(a) under the Exchange Act.

We reserve the right to extend the period of time that the exchange offer is open, and delay acceptance for exchange of any original notes, by giving oral or written notice to the exchange agent and by timely public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any extension, all original notes previously tendered will remain subject to the exchange offer unless properly withdrawn.

We also reserve the right to:

- end or amend the exchange offer and not to accept for exchange any original notes not previously accepted for exchange upon the occurrence of any of the events specified below under Conditions to the Exchange Offer that have not been waived by us; and

- amend the terms of the exchange offer in any manner that, in our good faith judgment, is advantageous to you, whether before or after any tender of the original notes.

If any termination or amendment occurs, we will notify the exchange agent and will either issue a press release or give oral or written notice to you as promptly as practicable.

Procedures for Tendering Original Notes

We have forwarded to you, along with this prospectus, a letter of transmittal relating to the exchange offer. A holder need not submit a letter of transmittal if the holder tenders original notes in accordance with the procedures mandated by The Depository Trust Company s Automated Tender Offer Program (ATOP). To tender original notes without submitting a letter of transmittal, the electronic instructions sent to The Depository Trust Company and transmitted to the exchange agent must contain your acknowledgment of receipt of and your agreement to be bound by and to make all of the representations contained in the letter of transmittal. In all other cases, a letter of transmittal must be manually executed and delivered as described in this prospectus.

Only a holder of record of original notes may tender original notes in the exchange offer. To tender in the exchange offer, a holder must either:

- complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires and deliver the letter of transmittal or facsimile together with any required documents to the exchange agent prior to the expiration date;

- instruct The Depository Trust Company to transmit on behalf of the holder a computer-generated message to the exchange agent in which the holder of the original notes acknowledges and agrees to be bound by the terms of the letter of transmittal, which computer-generated message shall be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date, according to the procedure for book-entry transfer described below; or

- the holder must comply with the guaranteed delivery procedures described below.

To be tendered effectively, the exchange agent must receive any physical delivery of the letter of transmittal and other required documents at the address set forth below under Exchange Agent before expiration of the exchange offer. To receive confirmation of valid tender of original notes, a holder should contact the exchange agent at the telephone number listed under Exchange Agent.

The tender by a holder that is not withdrawn before expiration of the exchange offer will constitute an agreement between that holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. Only a registered holder of original notes may tender the original notes in the exchange offer. If a holder completing a letter of transmittal tenders less than all of the original notes held by this holder, this tendering holder should fill in the applicable box of the letter transmittal. The amount of original notes delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

If original notes, the letter of transmittal or any other required documents are physically delivered to the exchange agent, the method of delivery is at the holder s election and risk. Rather than mail these items, we recommend that holders use an overnight or hand delivery service. In all cases, holders should allow sufficient time to assure delivery to the exchange agent before expiration of the exchange offer. Holders should not send the letter of transmittal or original notes to us. Holders may request their respective brokers, dealers, commercial banks, trust companies or other nominees to effect the above transactions for them.

Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct it to tender on the owner s behalf. If the beneficial owner wishes to tender on its own behalf, it must, prior to completing and executing the letter of transmittal and delivering its original notes, either:

- make appropriate arrangements to register ownership of the original notes in the owner s name; or

- obtain a properly completed bond power from the registered holder of original notes.

The transfer of registered ownership may take considerable time and may not be completed prior to the expiration date.

If the applicable letter of transmittal is signed by the record holder(s) of the original notes tendered, the signature must correspond with the name(s) written on the face of the original note without alteration, enlargement or any change whatsoever. If the applicable letter of transmittal is signed by a participant in The Depository Trust Company, the signature must correspond with the name as it appears on the security position listing as the holder of the original notes.

A signature on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible guarantor institution. Eligible guarantor institutions include banks, brokers, dealers, municipal securities dealers, municipal securities brokers, government securities dealers, government securities brokers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associa-

tions. The signature need not be guaranteed by an eligible guarantor institution if the original notes are tendered:

- by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or
- for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any original notes, the original notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the original notes and an eligible institution must guarantee the signature on the bond power.

If the letter of transmittal or any original notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless we waive this requirement, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

We will determine in our sole discretion all questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tendered original notes. Our determination will be final and binding. We reserve the absolute right to reject any original notes not properly tendered or any original notes the acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular original notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties.

Unless waived, any defects or irregularities in connection with tenders of original notes must be cured within the time that we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of original notes, neither we, the exchange agent nor any other person will incur any liability for failure to give notification. Tenders of original notes will not be deemed made until those defects or irregularities have been cured or waived. Any original notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the exchange agent without cost to the tendering holder, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

In all cases, we will issue exchange notes for original notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

- original notes or a timely book-entry confirmation that original notes have been transferred into the exchange agent s account at The Depository Trust Company; and
- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent s message.

Holders should receive copies of the letter of transmittal with the prospectus. A holder may obtain additional copies of the letter of transmittal for the original notes from the exchange agent at its offices listed under Exchange Agent. By signing the letter of transmittal, or causing The Depository Trust Company to transmit an agent s message to the exchange agent, each tendering holder of original notes will represent to us that, among other things:

- any exchange notes that the holder receives will be acquired in the ordinary course of its business;
- the holder has no arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;
- if the holder is not a broker-dealer, that it is not engaged in and does not intend to engage in the distribution of the exchange notes;
- if the holder is a broker-dealer that will receive exchange notes for its own account in exchange for original notes that were acquired as a result of market-making activities or other trading activities, that