
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2005

Commission File Number: 1-1927

THE GOODYEAR TIRE & RUBBER COMPANY

(Exact name of Registrant as specified in its charter)

OHIO

(State or Other Jurisdiction of
Incorporation or Organization)

1144 East Market Street, Akron, Ohio
(Address of Principal Executive Offices)

34-0253240
(I.R.S. Employer
Identification No.)

44316-0001
(Zip Code)

(330) 796-2121

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Number of Shares of Common Stock,
Without Par Value, Outstanding at June 30, 2005:

176,074,451

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

**THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Unaudited)**

(In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
NET SALES	\$ 4,992	\$ 4,519	\$ 9,759	\$ 8,821
Cost of Goods Sold	3,945	3,590	7,764	7,066
Selling, Administrative and General Expense	746	693	1,432	1,376
Rationalizations (Note 2)	(5)	10	(13)	34
Interest Expense	101	89	203	173
Other (Income) and Expense (Note 3)	18	29	30	79
Minority Interest in Net Income of Subsidiaries	33	19	54	25
Income before Income Taxes	154	89	289	68
United States and Foreign Taxes on Income	85	59	152	116
NET INCOME (LOSS)	\$ 69	\$ 30	\$ 137	\$ (48)
NET INCOME (LOSS) PER SHARE OF COMMON STOCK — BASIC	\$ 0.39	\$ 0.17	\$ 0.78	\$ (0.28)
Average Shares Outstanding (Note 4)	176	175	176	175
NET INCOME (LOSS) PER SHARE OF COMMON STOCK — DILUTED	\$ 0.34	\$ 0.17	\$ 0.69	\$ (0.28)
Average Shares Outstanding (Note 4)	208	177	208	175

The accompanying notes are an integral part of these consolidated financial statements.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	<u>June 30, 2005</u>	<u>December 31, 2004</u>
	(Unaudited)	
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 1,621	\$ 1,968
Restricted Cash (Note 1)	219	152
Accounts and Notes Receivable, less Allowance — \$134 (\$144 in 2004)	3,516	3,408
Inventories:		
Raw Materials	617	586
Work in Process	146	140
Finished Products	<u>2,157</u>	<u>2,059</u>
	2,920	2,785
Prepaid Expenses and Other Current Assets	<u>339</u>	<u>300</u>
Total Current Assets	8,615	8,613
Other Assets	509	669
Goodwill	666	720
Other Intangible Assets	154	163
Deferred Income Tax	83	83
Deferred Pension Costs	823	830
Properties and Plants, less Accumulated Depreciation — \$7,847 (\$7,836 in 2004)	<u>5,159</u>	<u>5,455</u>
Total Assets	<u>\$ 16,009</u>	<u>\$ 16,533</u>
Liabilities:		
Current Liabilities:		
Accounts Payable-Trade	\$ 1,850	\$ 1,970
Compensation and Benefits	1,080	1,029
Other Current Liabilities	458	589
United States and Foreign Taxes	281	271
Notes Payable (Note 5)	265	221
Long Term Debt and Capital Leases due within one year (Note 5)	<u>202</u>	<u>1,010</u>
Total Current Liabilities	4,136	5,090
Long Term Debt and Capital Leases (Note 5)	5,033	4,449
Compensation and Benefits	4,969	5,036
Deferred and Other Noncurrent Income Taxes	394	406
Other Long Term Liabilities	616	633
Minority Equity in Subsidiaries	<u>816</u>	<u>846</u>
Total Liabilities	15,964	16,460
Commitments and Contingent Liabilities (Note 7)		
Shareholders' Equity:		
Preferred Stock, no par value:		
Authorized, 50 shares, unissued	—	—
Common Stock, no par value:		
Authorized, 300 shares, Outstanding shares — 176 (176 in 2004) after deducting 20 treasury shares (20 in 2004)	176	176
Capital Surplus	1,395	1,392
Retained Earnings	1,207	1,070
Accumulated Other Comprehensive Income (Loss)	<u>(2,733)</u>	<u>(2,565)</u>
Total Shareholders' Equity	45	73
Total Liabilities and Shareholders' Equity	<u>\$ 16,009</u>	<u>\$ 16,533</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net Income (Loss)	\$ 69	\$ 30	\$ 137	\$ (48)
Other Comprehensive Income (Loss):				
Foreign Currency Translation Loss	(91)	(65)	(203)	(104)
Minimum Pension Liability	23	7	35	2
Deferred Derivative Gain (Loss)	(3)	4	(16)	(1)
Reclassification Adjustment for Amounts Recognized in Income (Loss)	—	(4)	14	8
Tax on Derivative Reclassification Adjustment	—	—	(1)	(4)
Unrealized Investment Gain	<u>2</u>	<u>5</u>	<u>3</u>	<u>12</u>
Comprehensive Income (Loss)	<u>\$ —</u>	<u>\$ (23)</u>	<u>\$ (31)</u>	<u>\$ (135)</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)

	Six Months Ended June 30,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 137	\$ (48)
Adjustments to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	307	310
Rationalizations (Note 2)	(15)	1
Net gain on the sale of assets (Note 3)	(12)	(3)
Fire loss deductible expense (Note 3)	(8)	12
Minority interest and equity earnings	51	20
Net cash flows from sale of accounts receivable	(1)	46
Pension contributions	(138)	(44)
Changes in operating assets and liabilities, net of asset acquisitions and dispositions:		
Accounts and notes receivable	(172)	(584)
Inventories	(241)	(96)
Accounts payable – trade	(57)	(20)
Prepays	(41)	75
Compensation and benefits	228	206
United States and foreign taxes	35	42
Other assets and liabilities	(12)	43
Total adjustments	<u>(76)</u>	<u>8</u>
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	61	(40)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(228)	(165)
Acquisitions	—	(51)
Proceeds from asset dispositions	19	11
Other transactions	5	—
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(204)	(205)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short term debt incurred	142	106
Short term debt paid	(72)	(95)
Long term debt incurred	2,310	1,363
Long term debt paid	(2,412)	(1,220)
Debt issuance costs	(50)	(37)
Increase in restricted cash	(67)	(61)
Other transactions	(4)	(17)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	(153)	39
Effect of exchange rate changes on cash and cash equivalents	(51)	(34)
Net Change in Cash and Cash Equivalents	(347)	(240)
Cash and Cash Equivalents at Beginning of the Period	<u>1,968</u>	<u>1,546</u>
Cash and Cash Equivalents at End of the Period	\$ <u>1,621</u>	\$ <u>1,306</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with Form 10-Q instructions and in the opinion of management contain all adjustments (including normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the periods presented. 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 financial statements and accompanying notes. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in Current Report on Form 8-K for the year ended December 31, 2004 filed on June 20, 2005 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.

Operating results for the three and six month periods ended June 30, 2005 are not necessarily indicative of the results expected in subsequent quarters or for the year ending December 31, 2005.

Consolidation of Variable Interest Entities

In accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 46, "Consolidation of Variable Interest Entities ("VIE") – an Interpretation of ARB No. 51," as amended by FASB Interpretation No. 46R (collectively, "FIN 46"), we consolidated two previously unconsolidated investments, effective January 1, 2004. South Pacific Tyres (SPT), a 50% owned manufacturer, marketer and exporter of tires in Australia and New Zealand and Tire and Wheel Assembly (T&WA), a 40% owned wheel mounting operation in the United States, which ships to original equipment manufacturers, are consolidated in all periods presented in the accompanying consolidated financial statements.

Restricted Cash

Restricted cash includes, among other things, insurance proceeds received related to asbestos litigation and Entran II litigation and Goodyear contributions made related to Entran II litigation. Refer to Note 7, Commitments and Contingent Liabilities, for further information about Entran II claims. 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. The availability of these balances is restricted to the extent of the borrowings.

Stock-Based Compensation

We use the intrinsic value method to measure the cost of stock-based compensation. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of our common stock at the date of the grant over the amount an employee must pay to acquire the stock. Compensation cost for stock appreciation rights and performance units is recorded based on the quoted market price of our stock at the end of the reporting period.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
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(Unaudited)

The following table presents the pro forma effect from using the fair value method to measure compensation cost:

<i>(In millions, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net income (loss) as reported	\$ 69	\$ 30	\$ 137	\$ (48)
Add: Stock-based compensation expense (income) included in net income (loss) (net of tax)	1	—	—	1
Deduct: Stock-based compensation expense calculated using the fair value method (net of tax)	(5)	(4)	(7)	(8)
Net income (loss) as adjusted	<u>\$ 65</u>	<u>\$ 26</u>	<u>\$ 130</u>	<u>\$ (55)</u>
Net income (loss) per share:				
Basic – as reported	\$ 0.39	\$ 0.17	\$ 0.78	\$ (0.28)
– as adjusted	0.37	0.15	0.74	(0.31)
Diluted – as reported	\$ 0.34	\$ 0.17	\$ 0.69	\$ (0.28)
– as adjusted	0.33	0.15	0.66	(0.31)

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

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
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(Unaudited)

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. We 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. An entity should recognize the cumulative effect of initially applying FSP 143-1 as a change in accounting principle as described in paragraph 20 of APB (Accounting Principals Board) Opinion No. 20, "Accounting Changes." 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 have adopted the FSP during the second quarter of 2005 at certain of our European operations where applicable legislation was adopted and the impact on the consolidated financial statements was not significant.

Reclassification

Certain items previously reported in specific financial statement captions have been reclassified to conform to the current presentation.

NOTE 2. COSTS ASSOCIATED WITH RATIONALIZATION PROGRAMS

To maintain global competitiveness, we have implemented rationalization actions over the past several years for the purpose of reducing excess capacity, eliminating redundancies and reducing costs.

The following table shows the reconciliation of our liability for rationalization actions between periods:

<i>(In millions)</i>	<u>Associate- related Costs</u>	<u>Other Than Associate-related Costs</u>	<u>Total</u>
Balance at December 31, 2004	\$ 41	\$ 27	\$ 68
First quarter charges	1	1	2
Incurred	(16)	(3)	(19)
Reversed	(4)	(6)	(10)
Balance at March 31, 2005	22	19	41
Second quarter charges	—	—	—
Incurred	(6)	(3)	(9)
Reversed	(5)	—	(5)
Balance at June 30, 2005	\$ 11	\$ 16	\$ 27

During the second quarter of 2005, \$5 million (\$5 million after-tax or \$0.02 per share) of reserves were reversed for rationalization actions no longer needed for their originally-intended purposes. These reversals primarily consisted of associate-related costs related to a 2003 plant closure in the North American Tire Segment.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For the first six months of 2005, \$13 million (\$12 million after-tax or \$0.06 per share) of net reserves were reversed, which included reversals of \$15 million (\$14 million after-tax or \$0.07 per share) for reserves from rationalization actions no longer needed for their originally-intended purpose, partially offset by charges related to plans initiated in 2004 of \$2 million (\$2 million after-tax or \$0.01 per share). The \$15 million in 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 accrual balance of \$27 million at June 30, 2005 includes approximately \$12 million related to long-term non-cancelable lease costs and approximately \$15 million of other costs that are expected to be substantially utilized by December 31, 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 second quarter of 2005 there were no accelerated depreciation charges, and for the second quarter of 2004 \$1 million was recorded in Cost of Goods Sold for accelerated depreciation charges. During the first six months of 2005 and 2004, \$1 million and \$5 million, respectively, were recorded in Cost of Goods Sold.

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 (\$52 million after-tax or \$0.27 per share). The net charges included reversals of \$39 million (\$32 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 \$95 million (\$84 million after-tax or \$0.44 per share). 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 900 have been released to date (265 during the first six 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.

Additional restructuring charges of \$3 million related to 2004 and 2003 rationalization plans not yet recorded are expected to be incurred and recorded primarily during the remainder of 2005.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 3. OTHER (INCOME) AND EXPENSE

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Financing fees and financial instruments	\$ 63	\$ 28	\$ 89	\$ 61
Environmental insurance recoveries	(19)	—	(20)	—
Interest income	(13)	(7)	(27)	(14)
General & product liability – discontinued products	(8)	8	4	17
Foreign currency exchange	5	(2)	11	4
Equity in earnings of affiliates	(2)	(2)	(5)	(4)
Gain on asset sales	—	(2)	(13)	(5)
Miscellaneous	(8)	6	(9)	20
	<u>\$ 18</u>	<u>\$ 29</u>	<u>\$ 30</u>	<u>\$ 79</u>

Financing fees and financial instruments in the three and six months ended June 30, 2005 included \$47 million of debt issuance costs written-off in connection with our refinancing activities during the second quarter of 2005. This includes approximately \$30 million of previously unamortized fees related to replaced facilities and \$17 million of costs related to the new facilities. The six months of 2004 included \$13 million of debt issuance costs written-off in connection with the first quarter 2004 refinancing. Refer to Note 5, Financing Arrangements, for further information on the 2005 refinancing activities.

General & product liability–discontinued products includes charges for claims against us related to asbestos personal injury claims, anticipated liabilities related to Entran II claims and settlements with certain insurance companies related to asbestos. During the quarter ended June 30, 2005, we recorded a gain from an insurance settlement with certain insurance companies related to environmental and asbestos (included in general and product liability – discontinued products and environmental insurance recoveries) coverage. A portion of the costs incurred by us related to these claims had been recorded in prior years. Refer to Note 7, Commitments and Contingent Liabilities, for further information.

Interest income consisted primarily of amounts earned on cash deposits. The increase in 2005 was due primarily to higher levels of cash deposits in the United States.

(Gain) loss on asset sales for the second quarter of 2005 included a gain of \$2 million (\$2 million after-tax or \$0.01 per share) primarily on the sale of retail stores in the North American Tire Segment and a loss of \$2 million (\$1 million after-tax or \$0.00 per share) on the sale of assets in the European Union and Eastern Europe Tire Segments. Other (Income) and Expense for the second quarter of 2004 included a gain of \$3 million (\$2 million after-tax or \$0.01 per share) on the sale of assets in North American Tire and European Union Tire and a loss of \$1 million (\$1 million after-tax or \$0.00 per share) on the sale of retail outlets in European Union Tire.

(Gain) loss on asset sales in the first six months of 2005 included a net gain of \$13 million (\$12 million after-tax or \$0.06 per share) primarily on the sale of Corporate assets and assets in the North American Tire and European Union Tire Segments. Other (Income) and Expense in the first six months of 2004 included a gain of \$8 million (\$5 million after-tax or \$0.03 per share) on the sale of assets in the North American Tire, European Union Tire and Engineered Products and a loss of \$3 million (\$2 million after-tax or \$0.01 per share) on the sale of Corporate assets and assets in the European Union Tire Segment.

Miscellaneous (income) expense includes gains of \$12 million (\$6 million after-tax or \$0.02 per share) and \$14 million (\$7 million after-tax or \$0.03 per share), during the second quarter and first six months of 2005, respectively, related to a 2004 fire at a company facility in Germany. The gains represent insurance recoveries in excess of the net book value of assets destroyed and clean-up expenses incurred by us at this facility. Goodyear has reached final settlement with its insurance providers. Miscellaneous (income) expense during the first six months of 2004 includes \$12 million (\$12 million after-tax or \$0.07 per share) of expense for insurance deductibles related to fires at company facilities in Germany, France and Thailand.

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(Unaudited)

NOTE 4. PER SHARE OF COMMON STOCK

Basic earnings per share has been computed based on the average number of common shares outstanding.

In the fourth quarter of 2004, we adopted the provisions of Emerging Issues Task Force Issue No. 04-08, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share." This pronouncement requires shares issuable under contingent conversion provisions in a debt agreement to be included in the calculation of diluted earnings per share regardless of whether the provisions of the contingent feature have been met.

There are contingent conversion features included in our \$350 million 4% Convertible Senior Notes due 2034, issued on July 2, 2004. Accordingly, average shares outstanding – diluted in the three and six months ended 2005 includes approximately 29 million contingently issuable shares. Net income per share – diluted in the three and six months ended June 30, 2005 also includes an earnings adjustment representing avoided after-tax interest expense of \$4 million and \$8 million, respectively, resulting from the assumed conversion of the Notes.

The Convertible Senior Notes became convertible on July 18, 2005. They are convertible at the option of the holders and will remain convertible through September 30, 2005, the last day of the third quarter. If all outstanding notes were surrendered for conversion, the aggregate number of shares of common stock issued would be approximately 29 million. The notes could be convertible after September 30, 2005 if the sale price condition is met in any future fiscal quarter or if any of the other conditions for conversion set forth in the indenture governing the Notes are met.

The following table presents the number of incremental weighted average shares used in computing diluted per share amounts:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Average shares outstanding – basic	176	175	176	175
4% Convertible Senior Notes due 2034	29	—	29	—
Stock Options and other dilutive securities	3	2	3	—
Average shares outstanding – diluted	<u>208</u>	<u>177</u>	<u>208</u>	<u>175</u>

For the periods ended June 30, 2005 and 2004, approximately 29 million and 28 million, respectively, equivalent shares related to stock options, restricted stock and performance grants with exercise prices that were greater than the average market price of our common shares were excluded from average shares outstanding – diluted, as inclusion would have been anti-dilutive. In addition, for the first six months of 2004, 2 million equivalent shares of stock options, restricted stock and performance grants with exercise prices that were less than the average market price of our common shares were excluded from average shares outstanding – diluted as we were in a net loss position and, therefore, inclusion would have been anti-dilutive.

The following table presents the computation of adjusted net income (loss) used in computing net income (loss) per share – diluted. The computation assumes that after-tax interest costs incurred on the 4% Convertible Senior Notes due 2034 would have been avoided had the Notes been converted as of April 1, 2005 for the three months ended June 30, 2005 and January 1, 2005 for the six months ended June 30, 2005.

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net Income (Loss)	\$ 69	\$ 30	\$ 137	\$ (48)
After-tax impact of 4% Convertible Senior Notes due 2034	4	—	8	—
Adjusted Net Income (Loss)	<u>\$ 73</u>	<u>\$ 30</u>	<u>\$ 145</u>	<u>\$ (48)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 5. FINANCING ARRANGEMENTS

At June 30, 2005, we had total credit arrangements totaling \$7,504 million, of which \$1,580 million were unused.

Notes Payable, Long Term Debt due Within One Year and Short Term Financing Arrangements

At June 30, 2005, we had short term committed and uncommitted credit arrangements totaling \$413 million, of which \$136 million related to consolidated VIEs. Of these amounts, \$148 million and \$23 million, respectively, were unused. These arrangements are available primarily to certain of our international subsidiaries through various banks at quoted market interest rates. There are no commitment fees associated with these arrangements.

The following table presents information about amounts due within one year at June 30, 2005 and December 31, 2004:

<i>(In millions)</i>	<u>2005</u>	<u>2004</u>
Notes payable:		
International subsidiaries	\$ 152	\$ 130
Amounts related to VIEs	113	91
	<u>\$ 265</u>	<u>\$ 221</u>
Weighted-average interest rate	6.46%	6.74%
Long term debt due within one year:		
6.375% Euro Notes due 2005	\$ —	\$ 542
5.375% Swiss franc bonds due 2006	123	—
Amounts related to VIEs	6	24
European credit facilities	—	400
Other (including capital leases)	73	44
	<u>\$ 202</u>	<u>\$ 1,010</u>
Weighted-average interest rate	5.47%	6.78%
Total obligations due within one year	<u>\$ 467</u>	<u>\$ 1,231</u>

Amounts related to VIEs in Notes payable represent short term debt of SPT. Amounts related to VIEs in Long term debt due within one year represent amounts owed by T&WA and amounts under lease-financing arrangements with SPEs. At June 30, 2005, we were a party to lease agreements with certain SPEs that are VIEs as defined by FIN 46. The agreements were related to certain North American distribution facilities.

Long Term Debt and Financing Arrangements

At June 30, 2005, we had long term credit arrangements totaling \$7,091 million, of which \$1,432 million were unused.

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The following table presents long term debt at June 30, 2005 and December 31, 2004:

<i>(In millions)</i>	2005	Weighted Average Interest Rate	2004	Weighted Average Interest Rate
5.375% Swiss franc bonds due 2006	\$ 123	*	\$ 139	*
6.375% Euro notes due 2005	—	*	542	*
4.00% Convertible Senior Notes due 2034	350	*	350	*
Notes:				
6 5/8% due 2006	219	*	223	*
8 1/2% due 2007	300	*	300	*
6 3/8% due 2008	100	*	100	*
7 6/7% due 2011	650	*	650	*
Floating rate notes due 2011	200	6.43%	200	6.87%
11% due 2011	448	*	448	*
9% due 2015	400	*	—	*
7% due 2028	149	*	149	*
Bank term loans:				
\$400 million senior secured term loan European facilities due 2005	—	*	400	6.87
\$800 million senior secured asset-based term loan due 2006	—	*	800	6.87
\$650 million senior secured asset-based term loan due 2006	—	*	650	6.87
\$1.2 billion second lien term loan facility due 2010	1,200	6.43	—	*
\$300 million third lien secured term loan due 2011	300	6.43	—	*
€155 million senior secured term loan European facility due 2010	187	6.43	—	*
Pan-European accounts receivable facility due 2009	332	3.84	225	5.16
Revolving credit facilities due 2010	30	4.85	—	—
Other domestic and international debt	106	5.56	129	6.15
Amounts related to VIEs	66	6.16	94	6.41
	<u>5,160</u>		<u>5,399</u>	
Capital lease obligations	75		60	
	<u>5,235</u>		<u>5,459</u>	
Less portion due within one year	202		1,010	
	<u>\$ 5,033</u>		<u>\$ 4,449</u>	

* Represents debt with fixed interest rate.

The Swiss franc bonds, Convertible Senior Notes and other Notes have an aggregate book value amount of \$2,939 million at June 30, 2005 and are reported net of unamortized discounts totaling \$3 million compared to \$3,101 million and \$4 million, respectively, at December 31, 2004. The principal and interest of the Swiss franc bonds due 2006 were hedged by currency swap agreements at June 30, 2005 and December 31, 2004.

\$350 Million Convertible Senior Note Offering

On July 2, 2004, we completed an offering of \$350 million aggregate principal amount of 4.00% Convertible Senior Notes due June 15, 2034. The notes are convertible into shares of our common stock initially at a conversion rate of 83.07 shares of common stock per \$1,000 principal amount of notes, which is equal to an initial conversion price of \$12.04 per share. The proceeds from the notes were used to temporarily repay a revolving credit facility and for working capital purposes.

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\$650 Million Senior Secured Notes

On March 12, 2004, we completed a private offering of \$650 million of senior secured notes, consisting of \$450 million of 11% senior secured notes due 2011 and \$200 million of floating rate notes due 2011, which accrue interest at LIBOR plus 8%. The proceeds of the notes were used to prepay the remaining outstanding amount under the then-existing U.S. term loan facility, permanently reduce commitments under the then-existing revolving credit facility by \$70 million, and for general corporate purposes. The notes are guaranteed by the same subsidiaries that guarantee the U.S. deposit-funded credit facility and asset-based credit facilities. The notes are secured by perfected fourth-priority liens on the same collateral securing those facilities.

We have the right to redeem the fixed rate notes in whole or in part from time to time on and after March 1, 2008. The redemption price, plus accrued and unpaid interest to the redemption date, would be 105.5%, 102.75%, and 100.0% on and after March 1, 2008, 2009 and 2010, respectively. We may also redeem the fixed rate notes prior to March 1, 2008 at a redemption price equal to 100% of the principal amount plus a make-whole premium. We have the right to redeem the floating rate notes in whole or in part from time to time on and after March 1, 2008. The redemption price, plus accrued and unpaid interest to the redemption date, would be 104.0%, 102.0%, and 100.0% on and after March 1, 2008, 2009 and 2010, respectively. In addition, prior to March 1, 2007, we have the right to redeem up to 35% of the fixed and floating rate notes with net cash proceeds from one or more public equity offerings. The redemption price would be 111% for the fixed rate notes and 100% plus the then applicable floating rate for the floating rate notes, plus accrued and unpaid interest to the redemption date.

The indenture for the senior secured notes contains restrictions on our operations, including limitations on:

- incurring additional indebtedness or liens,
- paying dividends, making distributions and stock repurchases,
- making investments,
- selling assets, and
- merging and consolidating.

In the event that the senior secured notes have a rating equal to or greater than Baa3 from Moody's and BBB- from Standard and Poor's, a number of those restrictions will not apply, for so long as those credit ratings are maintained.

\$400 Million Senior Notes Offering

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 under the Securities Act. 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 6.375% 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.

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The following table presents information about long term fixed rate debt at June 30, 2005 and December 31, 2004:

<i>(In millions)</i>	<u>2005</u>	<u>2004</u>
Carrying amount	\$ 2,875	\$ 3,055
Fair value	2,989	3,215

The fair value was estimated using quoted market prices or discounted future cash flows. The fair value exceeded the carrying amount at June 30, 2005 and December 31, 2004 due primarily to lower market interest rates. The fair value of the 6 5/8% Notes due 2006 was partially hedged by floating rate swap contracts with notional principal amounts totaling \$200 million at June 30, 2005 and December 31, 2004, respectively. The fair value of our variable rate debt approximated its carrying amount at June 30, 2005 and December 31, 2004.

April 8, 2005 Refinancing

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 new \$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 collateral that includes, subject to certain exceptions:

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- first-priority security interests in certain U.S. and Canadian accounts receivable and inventory;
- first-priority security interests in and mortgages on our U.S. corporate headquarters and certain of our U.S. manufacturing facilities;
- first-priority security interests in the equity interests in our U.S. subsidiaries and up to 65% of the equity interests in our foreign subsidiaries, excluding GDTE and its subsidiaries; and
- first-priority security interests in substantially all other tangible and intangible assets, including equipment, contract rights and intellectual property.

The facility, which matures on April 30, 2010, contains certain covenants that, among other things, limit our ability to incur additional unsecured and secured indebtedness (including a limit on accounts receivable transactions), and make investments and sell assets beyond specified limits. Under certain circumstances, borrowings under the facility are required to be prepaid with proceeds of asset sales greater than \$15 million. The facility limits the amount of dividends we may pay on our common stock in any fiscal year to \$10 million. This limit increases to \$50 million in any fiscal year if Moody's public senior implied rating and Standard & Poor's (S&P) corporate credit rating improve to Ba2 or better and BB or better, respectively. The facility also limits the amount of capital expenditures we may make to \$700 million in each year through 2010 (with increases with the proceeds of equity issuances). Any unused capital expenditures for a year may be carried over into succeeding years.

We are not permitted to allow the ratio of Consolidated EBITDA to Consolidated Interest Expense to fall below a ratio of 2.00 to 1.00 for any period of four consecutive fiscal quarters. In addition, our ratio of Consolidated Secured Indebtedness (net of cash in excess of \$400 million) to Consolidated EBITDA is not permitted to be greater than 3.50 to 1.00 at the end of any fiscal quarter.

Availability under the facility is subject to a borrowing base, which is based on eligible accounts receivable and inventory, with reserves which are subject to adjustment from time to time by the administrative agent and the majority lenders at their discretion (not to be exercised unreasonably). Adjustments are based on the results of periodic collateral and borrowing base evaluations and appraisals. If at any time the amount of outstanding borrowings and letters of credit under the facility exceeds the borrowing base, we are required to prepay borrowings and/or cash collateralize letters of credit sufficient to eliminate the excess.

Interest rates on the facility are dependent on the amount of the facility that is available and unused.

- If the availability under the facility is greater than or equal to \$400 million, then drawn amounts (including amounts outstanding under the deposit-funded facility) will bear interest at a rate of 175 basis points over LIBOR, and undrawn amounts under the facilities will be subject to an annual commitment fee of 50 basis points;
- If the availability under the facility is less than \$400 million and greater than or equal to \$250 million, then drawn amounts (including amounts outstanding under the deposit-funded facility) will bear interest at a rate of 200 basis points over LIBOR, and undrawn amounts under the facilities will be subject to an annual commitment fee of 40 basis points; and
- If the availability under the facility is less than \$250 million, then drawn amounts (including amounts outstanding under the deposit-funded facility) will bear interest at a rate of 225 basis points over LIBOR, and undrawn amounts under the facilities will be subject to an annual commitment fee of 37.5 basis points.

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 June 30, 2005, there were \$499 million of letters of credit issued under the deposit-funded facility. There were no borrowings under the revolver at June 30, 2005.

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\$1.2 Billion Second Lien Term Loan Facility

At closing, we used the entire availability under this facility to pay down and retire our prior credit facilities. 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. The facility contains covenants similar to those in the \$1.5 billion first lien credit facility. However, the facility contains additional flexibility for the incurrence of indebtedness, making of investments and asset dispositions, the payment of dividends and the making of capital expenditures and does not contain the two financial covenants that are in the first lien credit facility. Under certain circumstances, borrowings under the facility are required to be prepaid with proceeds of asset sales greater than \$15 million. Loans under this facility bear interest at LIBOR plus 275 basis points.

\$300 Million Third Lien Secured Term Loan Facility

At closing, we used the availability under this facility to pay down and retire our prior credit facilities and pay certain fees and expenses. 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). The liens are pari-passu with the liens securing our \$650 million secured notes due 2011. The facility contains covenants substantially identical to those in those notes, which limit our ability to incur additional indebtedness or liens, pay dividends, make distributions and stock repurchases, make investments and sell assets, among other limitations. Loans under this facility bear interest at LIBOR plus 350 basis points.

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 collateral that includes, subject to certain exceptions:

- first-priority security interests in the capital stock of the principal subsidiaries of GDTE; and
- first-priority security interests in and mortgages on substantially all the tangible and intangible assets of GDTE and GDTE's subsidiaries in the United Kingdom, Luxembourg, France and Germany, including certain accounts receivable, inventory, real property, equipment, contract rights and cash and cash accounts, but excluding certain accounts receivable and cash accounts in subsidiaries that are or may become parties to securitization programs.

The facilities contain covenants similar to those in the \$1.5 billion first lien credit facility, with special limits on the ability of GDTE and its subsidiaries to incur additional unsecured and secured indebtedness, make investments and sell assets beyond specified limits. The facilities also limit the amount of capital expenditures that GDTE may make to \$200 million in 2005, \$250 million in 2006 and \$300 million per year thereafter, with the unused amount in any year carried forward to the succeeding years. In addition, under the facilities we are not permitted to allow the ratio of Consolidated Indebtedness (net of cash in excess of \$100 million) to Consolidated EBITDA of GDTE to be greater than 2.75 to 1.00 at the end of any fiscal quarter. Under certain circumstances, borrowings under the term facility are required to be prepaid with proceeds of asset sales by GDTE and its subsidiaries greater than \$15 million. Loans under the term loan facility bear interest at LIBOR plus 237.5 basis points. With respect to the revolving credit facilities, we pay an annual commitment fee of 75 basis points on the undrawn portion of the commitments and loans bear interest at LIBOR plus 275 basis points. As of June 30, 2005, \$30 million was borrowed under the German revolving credit facility and \$187 million under the German term loan facilities.

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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 (\$199 million) of funding. The facility was expanded to €275 million (\$332 million) on May 23, 2005 and will be subject to customary annual renewal of back-up liquidity lines. The new facility replaces an €82.5 million (\$100 million) facility in a subsidiary in France.

The facility involves the twice-monthly sale of substantially all of the trade accounts receivable of certain GDTE subsidiaries to a bankruptcy-remote French company controlled by one of the liquidity banks in the facility. These subsidiaries retained servicing responsibilities. It is an event of default under the facility if:

- the ratio of our Consolidated EBITDA to our Consolidated Interest Expense falls below 2.00 to 1.00,
- the ratio of our Consolidated Secured Indebtedness (net of cash in excess of \$400 million) to our Consolidated EBITDA is greater than 3.50 to 1.00,
- the ratio of GDTE's third party indebtedness (net of cash held by GDTE and its Consolidated subsidiaries in excess of \$100 million) to its consolidated EBITDA is greater than 2.75 to 1.00.

The defined terms used in the events of default tests are similar to those in the European Credit Facilities. As of June 30, 2005, and December 31, 2004, the amount outstanding and fully-utilized under this program totaled \$332 million and \$225 million, respectively. The program did not qualify for sale accounting pursuant to the provisions of Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", and accordingly, this amount is included in Long term debt and capital leases.

In addition to the pan-European accounts receivable securitization facility discussed above, SPT and other subsidiaries in Australia had sold accounts receivable under other programs totaling \$72 million and \$63 million at June 30, 2005 and December 31, 2004, respectively. These amounts are included in Notes payable.

Debt Maturities

The annual aggregate maturities of long term debt and capital leases for the five years subsequent to June 30, 2005 are presented below. Maturities of debt credit agreements have been reported on the basis that the commitments to lend under these agreements will be terminated effective at the end of their current terms.

<i>(In millions)</i>	Twelve Months Ending June 30,				
	2006	2007	2008	2009	2010
Domestic	\$ 133	\$ 525	\$ 105	\$ 5	\$ 1,205
International	69	57	3	4	556
	<u>\$ 202</u>	<u>\$ 582</u>	<u>\$ 108</u>	<u>\$ 9</u>	<u>\$ 1,761</u>

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NOTE 6. PENSION, SAVINGS AND OTHER POSTRETIREMENT BENEFIT PLANS

We provide substantially all employees with pension benefits and substantially all domestic employees and employees at certain international subsidiaries with health care and life insurance benefits upon retirement.

Pension cost follows:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Service cost – benefits earned during the period	\$ 22	\$ 22	\$ 49	\$ 45
Interest cost on projected benefit obligation	106	106	213	211
Expected return on plan assets	(94)	(87)	(188)	(172)
Amortization of unrecognized: — prior service cost	17	19	34	38
— net (gains) losses	36	29	72	61
Net periodic pension cost	87	89	180	183
Curtailments / settlements	1	—	1	1
Total pension cost	<u>\$ 88</u>	<u>\$ 89</u>	<u>\$ 181</u>	<u>\$ 184</u>

We previously disclosed in our consolidated financial statements for the year ended December 31, 2004 that we expect to contribute approximately \$470 million to \$505 million to our major funded U.S. and international pension plans in 2005. For the three and six months ended June 30, 2005, we contributed \$16 million and \$42 million, respectively, to our international plans and \$96 million to our domestic plans.

Substantially all employees in the U.S. and employees of certain international locations are eligible to participate in a savings plan. Effective January 1, 2005, all newly-hired salaried employees in the U.S. will be eligible for a Company-funded contribution into the Salaried Savings Plan, as they will no longer be eligible to participate in our defined benefit pension plan. The expenses recognized for Company contributions for these plans for the three months ended June 30, 2005 and 2004 were \$5 million and \$4 million, respectively, and \$10 million and \$8 million for the six months ended June 30, 2005 and 2004, respectively.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act (the “Act”) was signed into law. The Act will provide plan sponsors a federal subsidy for certain qualifying prescription drug benefits covered under the sponsor’s postretirement health care plans. On May 19, 2004, the FASB issued Staff Position No. 106-2, “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003” (FSP 106-2), which requires measures of the accumulated postretirement benefit obligation and net periodic postretirement benefit cost to reflect the effects of the Act in the first interim or annual period beginning after June 15, 2004. On January 21, 2005 final regulations under the Act were issued. Based on the clarifications provided in the final regulations, our net periodic postretirement cost is expected to be lower by approximately \$50 million in 2005, of which \$16 million and \$18 million was recorded in the three and six months ended June 30, 2005, respectively, and the accumulated postretirement benefit obligation is expected to be reduced by approximately \$475 million to \$525 million.

Postretirement benefit cost follows:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Service cost – benefits earned during the period	\$ 6	\$ 7	\$ 12	\$ 13
Interest cost on projected benefit obligation	39	49	80	98
Amortization of unrecognized: — prior service cost	11	12	22	24
— net (gains) losses	4	9	10	18
Net periodic postretirement cost	<u>\$ 60</u>	<u>\$ 77</u>	<u>\$ 124</u>	<u>\$ 153</u>

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NOTE 7. COMMITMENTS AND CONTINGENT LIABILITIES

At June 30, 2005, we had binding commitments for raw materials and investments in land, buildings and equipment of \$1,081 million, and off-balance-sheet financial guarantees written and other commitments totaling \$10 million.

Environmental Matters

We have recorded liabilities totaling \$42 million and \$40 million for anticipated costs related to various environmental matters, primarily the remediation of numerous waste disposal sites and certain properties sold by us, at June 30, 2005 and December 31, 2004, respectively. Of these amounts, \$10 million and \$9 million was included in Other current liabilities at June 30, 2005 and December 31, 2004, respectively. The costs include legal and consulting fees, site studies, the design and implementation of remediation plans, post-remediation monitoring and related activities and will be paid over several years. The amount of our ultimate liability in respect of these matters may be affected by several uncertainties, primarily the ultimate cost of required remediation and the extent to which other responsible parties contribute. See "Asbestos" below for information regarding an insurance settlement completed during the second quarter 2005 related to both asbestos and environmental matters.

Workers' Compensation

We have recorded liabilities, on a discounted basis, totaling \$249 million and \$231 million for anticipated costs related to workers' compensation at June 30, 2005 and December 31, 2004, respectively. Of these amounts, \$99 million was included in Current Liabilities as part of Compensation and benefits at June 30, 2005 and December 31, 2004. 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.

General and Product Liability and Other Litigation

We have recorded liabilities totaling \$547 million and \$549 million for potential product liability and other tort claims, including related legal fees expected to be incurred, presently asserted against us at June 30, 2005 and December 31, 2004, respectively. Of these amounts, \$121 million and \$114 million were included in Other current liabilities at June 30, 2005 and December 31, 2004, respectively. The amounts recorded were estimated on the basis of an assessment of potential liability using an analysis of available information with respect to pending claims, historical experience and, where available, current trends. We have recorded insurance receivables for potential product liability and other tort claims of \$83 million at June 30, 2005 and \$117 million at December 31, 2004. Of these amounts, \$15 million and \$14 million was included in Current Assets as part of Accounts and notes receivable at June 30, 2005 and December 31, 2004, respectively.

Asbestos. We are a defendant in numerous lawsuits alleging various asbestos-related personal injuries purported to result 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. Typically, these lawsuits have been brought against multiple defendants in state and Federal courts. To date, we have disposed of approximately 28,600 claims by defending and obtaining the dismissal thereof or by entering into a settlement. The sum of our accrued asbestos-related liability and gross payments to date, including legal costs, totaled approximately \$235 million through June 30, 2005 and \$226 million through December 31, 2004.

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A summary of approximate asbestos claims activity in recent years follows. Because claims are often filed and disposed of by dismissal or settlement in large numbers, the amount and timing of settlements and the number of open claims during a particular period can fluctuate significantly.

<i>(Dollars in millions)</i>	Six Months Ended June 30, 2005	Year Ended December 31, 2004	2003
Pending claims, beginning of period	127,300	118,000	99,700
New claims filed	3,800	12,700	26,700
Claims settled/dismissed	(2,000)	(3,400)	(8,400)
Pending claims, end of period	<u>129,100</u>	<u>127,300</u>	<u>118,000</u>
Payments (1)	<u>\$ 13</u>	<u>\$ 30</u>	<u>\$ 30</u>

(1) Represents amount spent by us and our insurers on asbestos litigation defense and claim resolution.

We engaged an independent asbestos valuation firm to review our existing reserves for pending claims, provide a reasonable estimate of the liability associated with unasserted asbestos claims, and determine our receivables from probable insurance recoveries.

We had recorded liabilities for both asserted and unasserted claims, inclusive of defense costs, totaling \$116 million at June 30, 2005 and \$119 million at December 31, 2004. The recorded liability represents our estimated liability over the next four years, 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 a change in 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. The portion of the liability associated with unasserted asbestos claims was \$27 million at June 30, 2005 and \$38 million at December 31, 2004. At June 30, 2005, our liability with respect to asserted claims and related defense costs was \$89 million, compared to \$81 million at December 31, 2004.

We maintain primary insurance coverage under coverage-in-place agreements, and also have excess liability insurance with respect to asbestos liabilities. 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 determine an amount we expect is probable of recovery from such carriers. 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.

Based upon a model employed by the valuation firm, as of June 30, 2005, (i) we had recorded a receivable related to asbestos claims of \$74 million, compared to \$108 million at December 31, 2004, and (ii) we expect that approximately 75% 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. During the second quarter of 2005, as a result of a recent court determination, we further refined our method of allocating losses to excess coverage policies, resulting in a reduction in available insurance coverage over the period covered by the estimated liability. The recorded receivable also declined during the second quarter due to a settlement with an excess insurance carrier, Equitas Limited ("Equitas"), relating to certain excess insurance coverage, which is discussed below. Of this amount, \$11 million and \$9 million was included in Current Assets as part of Accounts and notes receivable at June 30, 2005 and December 31, 2004, respectively.

We believe that at June 30, 2005, we had at least \$220 million in aggregate limits of excess level policies potentially applicable to indemnity payments for asbestos products claims, in addition to limits of available primary insurance policies. Some of these excess policies provide for payment of defense costs in addition to indemnity limits. A portion of the availability of the excess level policies is included in the \$74 million insurance receivable recorded at June 30, 2005. We also had approximately \$21 million in aggregate limits for products claims, as well as coverage for premise claims on a per occurrence basis and defense costs available with our primary insurance carriers through coverage-in-place agreements at June 30, 2005.

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We reached an 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. 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 includes provisions addressing the impact on the settlement should federal asbestos reform legislation be enacted on or before January 3, 2007.

Under the agreement, 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 believe that our reserve for asbestos claims, and the receivable for recoveries from insurance carriers recorded in respect of these claims, reflect reasonable and probable estimates of these amounts, subject to the exclusion of claims for which it is not feasible to make reasonable estimates. The estimate of the assets and liabilities related to pending and expected future asbestos claims and insurance recoveries is subject to numerous uncertainties, including, but not limited to, changes in:

- the litigation environment,
- federal and state law governing the compensation of asbestos claimants,
- recoverability of receivables due to potential insolvency of carriers,
- our approach to defending and resolving claims, and
- the level of payments made to claimants from other sources, including other defendants.

As a result, with respect to both asserted and unasserted claims, it is reasonably possible that we may incur a material amount of cost in excess of the current reserve, however, such amount cannot be reasonably estimated. Coverage under insurance policies is subject to varying characteristics of asbestos claims including, but not limited to, the type of claim (premise vs. product exposure), alleged date of first exposure to our products or premises and disease alleged. Depending upon the nature of these characteristics, as well as the resolution of certain legal issues, some portion of the insurance may not be accessible by us.

Heatway (Entran II). On June 4, 2004, we entered into an amended settlement agreement 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. We supplied Entran II 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. We had recorded liabilities related to Entran II claims totaling \$302 million at June 30, 2005 and \$307 million at December 31, 2004.

On October 19, 2004, the amended settlement received court approval. As a result, we have made, or 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.

After reaching a preliminary settlement in a state court action involving 14 sites, approximately 41 sites remain opted-out of the amended settlement. Two actions involving approximately 10 of these sites are currently pending against us, and additional actions may be filed against us in the future. Although any liability resulting from the opt-outs 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.

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In addition to the sites that have been opted-out of the amended settlement, any liability related to five actions in which we have received adverse judgments also will not be covered by the amended settlement. With respect to two of these matters, however, we will be entitled to assert a proxy claim against the settlement fund for amounts (if any) paid to plaintiffs in these actions.

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 amendment settlement pursue claims against us in the future.

Other Actions. We are currently a party to various claims and legal proceedings in addition to those noted above. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on our financial position or overall trends in results of operations. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages or an injunction prohibiting us from selling one or more products. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or future periods.

Guarantees

We are a party to various agreements under which we have undertaken obligations resulting from the issuance of certain guarantees. Guarantees have been issued on behalf of certain of our affiliates and customers. Normally there is no separate premium received by us as consideration for the issuance of guarantees. Our performance under these guarantees would normally be triggered by the occurrence of one or more events as provided in the specific agreements. Collateral and recourse provisions available to us under these agreements were not significant.

Subsidiary Guarantees

Certain of our subsidiaries guarantee certain debt obligations of SPT and T&WA. Goodyear, Goodyear Australia Limited, a wholly-owned subsidiary of Goodyear, and certain subsidiaries of Goodyear Australia Limited guarantee SPT's obligations under credit facilities in the amount of \$74 million, which expire at various times through 2009. The guarantees are unsecured. The SPT credit facilities are secured by certain subsidiaries of SPT. As of June 30, 2005, the carrying amount of the secured assets of these certain subsidiaries was \$210 million, consisting primarily of accounts receivable, inventory and fixed assets. We guarantee an industrial revenue bond obligation of T&WA in the amount of \$5 million. The guarantee is unsecured.

Other Financing

We will from time to time issue guarantees to financial institutions on behalf of certain of our unconsolidated affiliates or our customers. We generally do not require collateral in connection with the issuance of these guarantees. In the event of non-payment by an affiliate, we are obligated to make payment to the financial institution, and will typically have recourse to the assets of that affiliate or customer. At June 30, 2005, we had affiliate and customer guarantees outstanding under which the maximum potential amount of payments totaled \$3 million and \$6 million, respectively. The affiliate and customer guarantees expire at various times through 2006 and 2019, respectively. We are unable to estimate the extent to which our affiliates' or customers' assets, in the aggregate, would be adequate to recover the maximum amount of potential payments with that affiliate or customer.

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Indemnifications

At June 30, 2005, we were a party to various agreements under which we had assumed obligations to indemnify the counterparties from certain potential claims and losses. These agreements typically involve standard commercial activities undertaken by us in the normal course of business; the sale of assets by us; the formation of joint venture businesses to which we had contributed assets in exchange for ownership interests; and other financial transactions. Indemnifications provided by us pursuant to these agreements relate to various matters including, among other things, environmental, tax and shareholder matters; intellectual property rights; government regulations and employment-related matters; and dealer, supplier and other commercial matters.

Certain indemnifications expire from time to time, and certain other indemnifications are not subject to an expiration date. In addition, our potential liability under certain indemnifications is subject to maximum caps, while other indemnifications are not subject to caps. Although we have been subject to indemnification claims in the past, we cannot reasonably estimate the number, type and size of indemnification claims that may arise in the future. Due to these and other uncertainties associated with the indemnifications, our maximum exposure to loss under these agreements cannot be estimated.

We have determined that there are no guarantees other than liabilities for which amounts are already recorded or reserved in our consolidated financial statements under which it is probable that we have incurred a liability.

NOTE 8. BUSINESS SEGMENTS

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.

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Sales:				
North American Tire	\$ 2,296	\$ 2,171	\$ 4,434	\$ 4,109
European Union Tire	1,178	1,060	2,376	2,171
Eastern Europe, Middle East and Africa Tire	342	301	682	584
Latin American Tire	381	291	729	594
Asia/Pacific Tire	368	328	709	651
Total Tires	4,565	4,151	8,930	8,109
Engineered Products	427	368	829	712
Net Sales	<u>\$ 4,992</u>	<u>\$ 4,519</u>	<u>\$ 9,759</u>	<u>\$ 8,821</u>

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(Unaudited)

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Segment Operating Income:				
North American Tire	\$ 55	\$ 41	\$ 66	\$ 17
European Union Tire	85	57	192	127
Eastern Europe, Middle East and Africa Tire	49	45	96	88
Latin American Tire	77	61	164	123
Asia/Pacific Tire	20	17	39	25
Total Tires	286	221	557	380
Engineered Products	30	33	51	55
Total Segment Operating Income	316	254	608	435
Rationalizations and asset sales	5	(8)	26	(29)
Interest expense	(101)	(89)	(203)	(173)
Foreign currency exchange	(5)	2	(11)	(4)
Minority interest in net income of subsidiaries	(33)	(19)	(54)	(25)
Financing fees and financial instruments	(63)	(28)	(89)	(61)
General and product liability – discontinued products	8	(8)	(4)	(17)
Recovery (expense) for fire loss deductibles	12	—	14	(12)
Professional fees associated with the restatement	(1)	(9)	(2)	(24)
Environmental insurance recoveries	19	—	20	—
Other	(3)	(6)	(16)	(22)
Income before Income Taxes	\$ 154	\$ 89	\$ 289	\$ 68

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
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Rationalizations and portions of items reported as Other (Income) and Expense on the Consolidated Statement of Income were not charged to the strategic business units ("SBUs") for performance evaluation purposes, but were attributable to the SBUs as follows:

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Rationalizations:				
North American Tire	\$ (5)	\$ 4	\$ (9)	\$ 6
European Union Tire	—	4	(2)	25
Latin American Tire	—	2	—	2
Asia/Pacific Tire	—	—	(2)	—
Corporate	—	—	—	1
Total Rationalizations	<u>\$ (5)</u>	<u>\$10</u>	<u>\$ (13)</u>	<u>\$34</u>
Other (Income) and Expense⁽¹⁾:				
North American Tire	\$ (2)	\$ (1)	\$ (8)	\$ (2)
European Union Tire	1	(1)	(4)	(2)
Eastern Europe, Middle East and Africa Tire	1	—	1	—
Engineered Products	—	—	—	(1)
Corporate	15	35	35	84
Total Other (Income) and Expense	<u>\$15</u>	<u>\$33</u>	<u>\$ 24</u>	<u>\$79</u>

(1) Excludes equity in (earnings) losses of affiliates and foreign currency exchange.

During the second quarter ended June 30, 2005, we recorded approximately \$8 million in net after tax expenses relating to prior periods. Out-of-period adjustments increased net sales by \$9 million (pre-tax), Cost of goods sold by \$15 million (pre-tax) and Selling, administrative and general expenses and Minority interest, each by \$1 million (pre-tax), respectively, in the second quarter of 2005. The net tax effect on these items was not significant. In addition, we recorded \$2 million in out-of-period tax adjustments in the first quarter of 2005. The out-of-period adjustments identified in 2005 include net after tax charges of \$6 million to write-off negative equity of a minority partner's interest in a consolidated affiliate, recognized in Corporate, \$4 million to write-down the carrying value of certain fixed assets in the Latin American Tire Segment to correct translation recorded during the period an economy was under highly-inflationary accounting, \$3 million related to the elimination of intercompany profit in inventory, primarily in the European Union Tire Segment and Corporate, and \$2 million related to the application of a tax law change in the European Union Tire Segment, partially offset by \$6 million in out-of-period primarily income due to the overaccrual of dealer incentives in the European Union Tire Segment.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
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(Unaudited)

NOTE 9. CONSOLIDATING FINANCIAL INFORMATION

Certain of our subsidiaries have guaranteed Goodyear's obligations under the \$650 million of senior secured notes issued in March 2004. The following presents the condensed consolidating financial information separately for:

- (i) The Goodyear Tire & Rubber Company (the "Parent Company"), the issuer of the guaranteed obligations,
- (ii) Guarantor subsidiaries, on a combined basis, as specified in the Indenture related to Goodyear's obligations under the \$650 million of Senior Secured Notes issued on March 12, 2004 (\$450 million of 11% Senior Secured Notes due 2011 and \$200 Senior Secured Floating Rate Notes due 2011) and the Indenture related to Goodyear's obligation under the \$400 million aggregate principal amount of 9.00% Senior Notes due 2015 issued on June 23, 2005 (the "Notes"),
- (iii) Non-guarantor subsidiaries, on a combined basis,
- (iv) Consolidating entries and eliminations representing adjustments to (a) eliminate intercompany transactions and (b) eliminate the investments in our subsidiaries and (c) record consolidating entries, and
- (v) The Goodyear Tire & Rubber Company and Subsidiaries on a consolidated basis.

Each guarantor subsidiary is 100% owned by the Parent Company at the date of each balance sheet presented. The Notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary. Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for using the equity method of accounting to reflect ownership interests in subsidiaries which are eliminated upon consolidation.

Certain non-guarantor subsidiaries of the Parent Company are restricted from remitting funds to it by means of dividends, advances or loans, primarily due to restrictions in credit facility agreements entered into by those subsidiaries.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Consolidating Balance Sheet

June 30, 2005

<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 843	\$ 18	\$ 760	\$ —	\$ 1,621
Restricted Cash	204	—	15	—	219
Accounts and Notes Receivable	1,212	223	2,081	—	3,516
Accounts and Notes Receivables from Affiliates	—	621	—	(621)	—
Inventories	1,246	289	1,450	(65)	2,920
Prepaid Expenses and Other Current Assets	100	16	215	8	339
Total Current Assets	3,605	1,167	4,521	(678)	8,615
Other Assets	317	22	170	—	509
Goodwill	—	32	431	203	666
Other Intangible Assets	100	37	53	(36)	154
Deferred Income Tax	—	14	69	—	83
Deferred Pension Costs	457	177	189	—	823
Investments in Subsidiaries	4,004	416	3,247	(7,667)	—
Properties and Plants	2,032	300	2,803	24	5,159
Total Assets	\$10,515	\$2,165	\$11,483	\$(8,154)	\$16,009
Liabilities:					
Current Liabilities:					
Accounts Payable-Trade	\$ 587	\$ 66	\$ 1,197	\$ —	\$ 1,850
Accounts Payable to Affiliates	417	—	182	(599)	—
Compensation and Benefits	713	48	319	—	1,080
Other Current Liabilities	301	10	147	—	458
United States and Foreign Taxes	59	31	191	—	281
Notes Payable	—	—	265	—	265
Long Term Debt and Capital Leases due within one year	124	—	78	—	202
Total Current Liabilities	2,201	155	2,379	(599)	4,136
Long Term Debt and Capital Leases	4,337	1	695	—	5,033
Compensation and Benefits	3,346	310	1,313	—	4,969
Deferred and Other Noncurrent Income Taxes	68	2	317	7	394
Other Long Term Liabilities	518	15	83	—	616
Minority Equity in Subsidiaries	—	—	627	189	816
Total Liabilities	10,470	483	5,414	(403)	15,964
Commitments and Contingent Liabilities					
Shareholders' Equity (Deficit):					
Preferred Stock	—	—	—	—	—
Common Stock	176	667	4,291	(4,958)	176
Capital Surplus	1,395	5	874	(879)	1,395
Retained Earnings	1,207	1,321	2,259	(3,580)	1,207
Accumulated Other Comprehensive Income (Loss)	(2,733)	(311)	(1,355)	1,666	(2,733)
Total Shareholders' Equity (Deficit)	45	1,682	6,069	(7,751)	45
Total Liabilities and Shareholders' Equity (Deficit)	\$10,515	\$2,165	\$11,483	\$(8,154)	\$16,009

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Consolidating Balance Sheet

	December 31, 2004				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 1,004	\$ 50	\$ 914	\$ —	\$ 1,968
Restricted Cash	137	—	15	—	152
Accounts and Notes Receivable	1,209	203	1,996	—	3,408
Accounts and Notes Receivable from Affiliates	—	612	—	(612)	—
Inventories	1,162	250	1,434	(61)	2,785
Prepaid Expenses and Other Current Assets	90	13	187	10	300
Total Current Assets	3,602	1,128	4,546	(663)	8,613
Other Assets	467	21	181	—	669
Goodwill	—	35	470	215	720
Other Intangible Assets	101	41	61	(40)	163
Deferred Income Tax	—	14	69	—	83
Deferred Pension Costs	432	179	219	—	830
Investments in Subsidiaries	3,944	432	3,075	(7,451)	—
Properties and Plants	2,089	332	3,011	23	5,455
Total Assets	\$10,635	\$2,182	\$11,632	\$(7,916)	\$16,533
Liabilities:					
Current Liabilities:					
Accounts Payable-Trade	\$ 529	\$ 62	\$ 1,379	\$ —	\$ 1,970
Accounts Payable to Affiliates	502	—	92	(594)	—
Compensation and Benefits	648	46	335	—	1,029
Other Current Liabilities	276	17	296	—	589
United States and Foreign Taxes	63	32	176	—	271
Notes Payable	—	—	221	—	221
Long Term Debt and Capital Leases due within one year	563	—	447	—	1,010
Total Current Liabilities	2,581	157	2,946	(594)	5,090
Long Term Debt and Capital Leases	4,010	2	437	—	4,449
Compensation and Benefits	3,336	312	1,388	—	5,036
Deferred and Other Noncurrent Income Taxes	66	7	327	6	406
Other Long Term Liabilities	569	9	81	(26)	633
Minority Equity in Subsidiaries	—	—	632	214	846
Total Liabilities	10,562	487	5,811	(400)	16,460
Commitments and Contingent Liabilities					
Shareholders' Equity (Deficit):					
Preferred Stock	—	—	—	—	—
Common Stock	176	669	4,191	(4,860)	176
Capital Surplus	1,392	12	866	(878)	1,392
Retained Earnings	1,070	1,291	2,082	(3,373)	1,070
Accumulated Other Comprehensive Income (Loss)	(2,565)	(277)	(1,318)	1,595	(2,565)
Total Shareholders' Equity (Deficit)	73	1,695	5,821	(7,516)	73
Total Liabilities and Shareholders' Equity (Deficit)	\$10,635	\$2,182	\$11,632	\$(7,916)	\$16,533

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Consolidating Statement of Income (Loss)

	Three Months Ended June 30, 2005				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
NET SALES	\$2,388	\$557	\$4,325	\$(2,278)	\$4,992
Cost of Goods Sold	2,091	490	3,675	(2,311)	3,945
Selling, Administrative and General Expense	301	46	398	1	746
Rationalizations	(1)	—	(4)	—	(5)
Interest Expense	87	9	44	(39)	101
Other (Income) and Expense	(26)	(1)	(32)	77	18
Minority Interest in Net Income of Subsidiaries	—	—	33	—	33
Income (Loss) before Income Taxes and Equity in (Earnings) Loss of Subsidiaries	(64)	13	211	(6)	154
United States and Foreign Taxes on Income (Loss)	(2)	9	79	(1)	85
Equity in (Earnings) Loss of Subsidiaries	(131)	(12)	—	143	—
NET INCOME (LOSS)	\$ 69	\$ 16	\$ 132	\$(148)	\$ 69

	Three Months Ended June 30, 2004				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
NET SALES	\$2,201	\$514	\$3,609	\$(1,805)	\$4,519
Cost of Goods Sold	1,935	446	3,036	(1,827)	3,590
Selling, Administrative and General Expense	284	43	370	(4)	693
Rationalizations	4	—	7	(1)	10
Interest Expense	76	9	53	(49)	89
Other (Income) and Expense	(21)	1	(38)	87	29
Minority Interest in Net Income of Subsidiaries	—	—	18	1	19
Income (Loss) before Income Taxes and Equity in (Earnings) Loss of Subsidiaries	(77)	15	163	(12)	89
United States and Foreign Taxes on Income (Loss)	—	—	50	9	59
Equity in (Earnings) Loss of Subsidiaries	(107)	(6)	11	102	—
NET INCOME (LOSS)	\$ 30	\$ 21	\$ 102	\$(123)	\$ 30

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Consolidating Statement of Income (Loss)

	Six Months Ended June 30, 2005				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
NET SALES	\$4,662	\$1,086	\$8,555	\$(4,544)	\$9,759
Cost of Goods Sold	4,135	954	7,281	(4,606)	7,764
Selling, Administrative and General Expense	571	94	772	(5)	1,432
Rationalizations	(4)	—	(9)	—	(13)
Interest Expense	176	18	100	(91)	203
Other (Income) and Expense	(69)	(2)	(74)	175	30
Minority Interest in Net Income of Subsidiaries	—	—	54	—	54
Income (Loss) before Income Taxes and Equity in (Earnings) Loss of Subsidiaries	(147)	22	431	(17)	289
United States and Foreign Taxes on Income (Loss)	(9)	12	150	(1)	152
Equity in (Earnings) Loss of Subsidiaries	<u>(275)</u>	<u>(24)</u>	<u>—</u>	<u>299</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ 137</u>	<u>\$ 34</u>	<u>\$ 281</u>	<u>\$(315)</u>	<u>\$ 137</u>
	Six Months Ended June 30, 2004				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
NET SALES	\$4,236	\$1,011	\$7,211	\$(3,637)	\$8,821
Cost of Goods Sold	3,791	872	6,076	(3,673)	7,066
Selling, Administrative and General Expense	561	86	739	(10)	1,376
Rationalizations	6	—	28	—	34
Interest Expense	146	18	110	(101)	173
Other (Income) and Expense	(26)	1	(24)	128	79
Minority Interest in Net Income of Subsidiaries	—	—	23	2	25
Income (Loss) before Income Taxes and Equity in (Earnings) Loss of Subsidiaries	(242)	34	259	17	68
United States and Foreign Taxes on Income (Loss)	(17)	6	122	5	116
Equity in (Earnings) Loss of Subsidiaries	<u>(177)</u>	<u>(11)</u>	<u>11</u>	<u>177</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ (48)</u>	<u>\$ 39</u>	<u>\$ 126</u>	<u>\$(165)</u>	<u>\$ (48)</u>

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Condensed Consolidating Statement of Cash Flows

	Six Months Ended June 30, 2005				
<i>(In millions)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	\$ 75	\$(27)	\$ 99	\$(86)	\$ 61
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(75)	(6)	(143)	(4)	(228)
Asset sales	18	1	7	(7)	19
Acquisitions	—	—	(7)	7	—
Other transactions	3	—	(104)	106	5
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(54)	(5)	(247)	102	(204)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Short term debt incurred	13	—	129	—	142
Short term debt paid	—	2	(74)	—	(72)
Long term debt incurred	1,920	—	390	—	2,310
Long term debt paid	(2,001)	(1)	(410)	—	(2,412)
Debt issuance costs	(50)	—	—	—	(50)
Increase in restricted cash	(67)	—	—	—	(67)
Other transactions	3	—	9	(16)	(4)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	(182)	1	44	(16)	(153)
Effect of exchange rate changes on cash and cash equivalents	—	(1)	(50)	—	(51)
Net Change in Cash and Cash Equivalents	(161)	(32)	(154)	—	(347)
Cash and Cash Equivalents at Beginning of the Period	1,004	50	914	—	1,968
Cash and Cash Equivalents at End of the Period	\$ 843	\$ 18	\$ 760	\$ —	\$ 1,621

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Condensed Consolidating Statement of Cash Flows

Six Months Ended June 30, 2004

<i>(In millions)</i>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Consolidating Entries and Eliminations</u>	<u>Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	\$ (213)	\$ 6	\$ 258	\$ (91)	\$ (40)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(35)	(2)	(128)	—	(165)
Asset sales	88	1	8	(86)	11
Acquisition	(51)	—	(86)	86	(51)
Other Transaction	(4)	13	—	(9)	—
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(2)	12	(206)	(9)	(205)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Short term debt incurred	30	(6)	82	—	106
Short term debt paid	—	—	(95)	—	(95)
Long term debt incurred	1,298	—	65	—	1,363
Long term debt paid	(1,192)	—	(28)	—	(1,220)
Debt issuance costs	(37)	—	—	—	(37)
Increase in restricted cash	(58)	—	(3)	—	(61)
Other transactions	(1)	(13)	(103)	100	(17)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	40	(19)	(82)	100	39
Effect of exchange rate changes on cash and cash equivalents	—	(1)	(33)	—	(34)
Net Change in Cash and Cash Equivalents	(175)	(2)	(63)	—	(240)
Cash and Cash Equivalents at Beginning of the Period	585	25	936	—	1,546
Cash and Cash Equivalents at End of the Period	\$ 410	\$ 23	\$ 873	\$ —	\$ 1,306

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 10. INCOME TAXES

For the first six months of 2005, we recorded tax expense of \$152 million on income before income taxes and minority interest in net income of subsidiaries of \$343 million. Included in tax expense for the first six months was a net tax charge of \$6 million, that is primarily related to the settlement of prior years tax liabilities. For the first half of 2004, we recorded tax expense of \$116 million on income before income taxes and minority interest in net income of subsidiaries of \$93 million. Included in tax expense for the first six months was a net tax benefit of \$7 million, that is 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.

On June 30, 2005, the State of Ohio enacted significant changes to its tax system that will be phased in over a five year period including repealing the Corporate Ohio Franchise/Income Tax, repealing the Tangible Personal Property Tax on business equipment and fixtures, and enacting a new Commercial Activity Tax based on Ohio gross receipts. The effect of these tax changes is not expected to have a material impact on our results of operations, financial position or liquidity.

NOTE 11. ASSET DISPOSTIONS

On June 27, 2005, we agreed to sell our Wingtack adhesives resins business, which includes a manufacturing operation in Beaumont, Texas, to Sartomer Company Inc., a unit of the French energy firm Total S.A., pending government and regulatory approvals. We will receive approximately \$55 million in cash proceeds and retain \$10 million in working capital for the business. On February 28, 2005, we entered into an agreement to sell the assets of our North American farm tire business to Titan International, for approximately \$100 million, pending government, regulatory and union approvals. In November 2004, we entered into an agreement to sell our natural rubber plantations in Indonesia at a purchase price of approximately \$62 million, subject to regulatory approval. We continue to work on obtaining the necessary approvals for these transactions.

ITEM 2. 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.

In the second quarter and six months ended June 30, 2005, we recorded net income of \$69 million and \$137 million, respectively, compared to net income of \$30 million and a net loss of \$48 million, respectively, in the comparable periods of 2004. Improvements in operating income in all five of the tire segments contributed to the increase in net income. For the second quarter of 2005, sales of \$4,992 million increased \$473 million or 10.4% compared to the second quarter of 2004. For the first half of 2005, sales of \$9,759 million increased \$938 million or 10.6% compared to the first half of 2004. Sales in the tire segments increased for both periods primarily due to price increases implemented to offset higher raw material costs and product mix improvements resulting from a shift in focus toward the consumer replacement market, while being more selective in original equipment (OE) markets. In addition, translation accounted for approximately \$108 million of the increase for the second quarter of 2005 and \$241 million for the first six months of 2005.

Our results are highly dependent on the results of our two largest segments, North American Tire and European Union Tire. These two segments represented approximately 70% of the consolidated net sales in the first six months of 2005. While generating over two-thirds of consolidated net sales, these two segments accounted for 42% of total segment operating income, with North American Tire contributing 11%. While North American Tire's operational performance continues to improve, it is still hindered primarily by costs related to pension and other postretirement benefit expenses.

Our share of industry sales in North America and European Union is another key performance indicator. Listed below is the estimated share of sales in each of these two regions for the primary tire markets, original equipment and replacement. These percentages are estimates only and are based on a combination of industry publications and surveys and internal company surveys. In the first six months of 2005, the change in share of sales reflects our selective strategy in the original equipment market and our focus on the replacement market.

	North American Estimated Share of Sales		European Union Estimated Share of Sales	
	First Half 2005	Full Year 2004	First Half 2005	Full Year 2004
Original Equipment	38%	40%	23%	24%
Replacement	25%	25%	25%	23%

Another key indicator of performance is our ability to overcome increasing tire raw material costs. In the first six months of 2005, we experienced raw material price inflation of approximately \$239 million related to our tire segments compared to the first six months of 2004. Through many initiatives including strategic pricing actions in the marketplace, improved product mix toward higher value tires, productivity improvements, and product reformulation, we were able to offset these higher costs during the period. For the full year 2005, raw material costs are expected to increase approximately 10% compared to 2004.

We anticipate continued year-over-year gains in operating performance during the second half of 2005, however, the rate of those gains is expected to be less than they were in the first half of 2005.

During 2005, we introduced several new products following last year's successful launches of the Assurance® line of tires in North America, and the Dunlop Sport Maxx™ and Hydragrip® lines of tires in Europe. The 2005 introductions included new Fortera® and Wrangler® tires featuring Silent Armor Technology™. We also introduced new DuraSeal™ commercial tire technology, which contains a "built in sealant" that allows truck drivers to continue driving after a tire is punctured. Initial orders of these new tires were strong in the first six months, building on the momentum of the new products successfully introduced last year.

We closed \$3.65 billion in new credit facilities in April 2005 as part of our capital structure improvement plan. These new facilities, which replaced \$3.28 billion in existing facilities due from 2005 to 2007, provide us with greater liquidity and extend debt maturities to allow time to implement our turnaround strategies. 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 under the Securities Act. The proceeds were used to repay the \$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 6.375% Euro Notes due 2005 at maturity on June 6, 2005.

While operating results have improved, we continue to face significant challenges. Although we were successful in refinancing a significant portion of our debt as described above, our overall debt level remains high. On June 30, 2005 debt (including capital leases) on a consolidated basis was \$5,500 million, compared to \$5,680 million at December 31, 2004. This high debt level also impacted financial results, resulting in higher interest expense. In the first six months of 2005, interest expense of \$203 million represented an increase of \$30 million from the first six months of 2004. While we have improved our liquidity position in the short term through refinancing activities, we also continue to review potential divestitures of non-core assets.

We remain subject to a Securities and Exchange Commission ("SEC") investigation into the facts and circumstances surrounding the restatement of our historical financial statements. Because the investigation is currently ongoing, the outcome cannot be predicted at this time. As described in Item 4 of Part I of this Form 10-Q, we also continue to have two material weaknesses in our internal control over financial reporting. We continue to implement remediation plans 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 war, acts of terror and civil obstructions.

In the second quarter ended June 30, 2005 we recorded approximately \$8 million in net after tax expenses relating to prior periods. We reviewed the net effect of these identified out-of-period adjustments on our 2005 and prior-period financial statements and concluded that the adjustments were not material. It is possible that additional out-of-period items may be identified in subsequent quarters or our expected earnings may not materialize, either of which could result in a future determination that a restatement of previously issued financial statements is necessary.

RESULTS OF OPERATIONS

CONSOLIDATED

Three Months Ended June 30, 2005 and 2004

Net sales in the second quarter of 2005 were \$4,992 million, increasing 10.4% from \$4,519 million in the 2004 second quarter. Net income of \$69 million, or \$0.34 per share, was recorded in the 2005 second quarter compared to net income of \$30 million, or \$0.17 per share, in the second quarter 2004.

Net sales in the second quarter of 2005 in our tire segments were favorably impacted by price and product mix of approximately \$200 million, higher volume of approximately \$77 million and a positive impact from currency translation of approximately \$97 million. Sales also increased approximately \$59 million in the Engineered Products Division, mainly due to improvements in volume and price of approximately \$50 million and currency transaction of \$11 million.

Worldwide tire unit sales in the second quarter of 2005 were 56.4 million units, an increase of 1.4 million units, or 2.5% compared to the 2004 period. This increase was driven by a 3.1% unit increase from the consumer replacement market and a 23.0% increase from the commercial OE market.

Cost of goods sold (CGS) in the second quarter of 2005 was \$3,945 million, an increase of \$355 million, or 9.9% compared to the second quarter 2004, while decreasing as a percentage of sales to 79.0% from 79.4% in the 2004 comparable period. CGS for our tire segments in the second quarter of 2005 increased due to higher raw material costs of approximately \$127 million and higher volume of approximately \$61 million. Also contributing to the CGS increase was foreign currency translation of approximately \$49 million and product mix related manufacturing cost increases of approximately \$43 million. CGS also increased by \$59 million in the Engineered Products Division, primarily related to higher volume, increased raw material costs of \$6 million and foreign currency translation. Partially offsetting these CGS increases was lower conversion costs of approximately \$22 million in our tire segments, driven by lower OPEB costs and savings from rationalization programs.

Selling, administrative and general expense (SAG) was \$746 million in the second quarter of 2005, compared to \$693 million in 2004, an increase of \$53 million or 7.6%. The increase was driven primarily by wage and benefits expenses, which increased by \$21 million in the quarter in our tire segments and higher product liability expenses of \$8 million. Foreign currency translation also increased SAG by \$16 million when compared to the same period 2004. Also contributing to the increase in SAG were increased advertising expenses of approximately \$3 million related to the launch of new products in 2005. SAG as a percentage of sales was 14.9% in the second quarter 2005, compared to 15.3% in the second quarter of 2004.

Interest expense increased by \$12 million to \$101 million in the second quarter of 2005 from \$89 million in the second quarter of 2004 primarily as a result of higher average debt levels and higher average interest rates, partially offset by lower credit spreads in conjunction with the April 2005 refinancing.

Other (income) and expense was \$18 million in the 2005 second quarter, a decrease of \$11 million, compared to \$29 million in the 2004 second quarter. The decrease was primarily related to gains on insurance settlements, partially offset by higher financing write-offs in conjunction with the April 2005 refinancing. Results in the second quarter of 2005 included a gain related to the 2004 fire in Germany of \$12 million and a \$19 million gain from an insurance settlement with certain insurance companies related to environmental coverage. A gain recognized from a settlement with certain insurance companies related to asbestos coverage was mostly offset by expenses recorded to reflect a reduction in our receivable from excess insurers due to a recent court determination. These recoveries were also offset by the write-off of debt issuance costs of \$47 million in connection with our refinancing activities in 2005.

For the second quarter of 2005, we recorded tax expense of \$85 million on income before income taxes and minority interest in net income of subsidiaries of \$187 million. Included in tax expense for the second quarter of 2005 was a net tax charge of \$7 million primarily related to the settlement of prior year 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. For the second quarter of 2004, we recorded tax expense of \$59 million on income before income taxes and minority interest in net income of subsidiaries of \$108 million. Included in tax expense for the second quarter of 2004 was a net tax benefit of \$5 million primarily related to the settlement of prior years tax liabilities.

During the second quarter ended June 30, 2005, we recorded approximately \$8 million in net after tax expenses relating to prior periods. Out-of-period adjustments increased net sales by \$9 million (pre-tax) Cost of goods sold by \$15 million (pre-tax) and Selling, administrative and general expenses and Minority interest, each by \$1 million (pre-tax), respectively, in the second quarter of 2005. The net tax effect on these items was not significant. In addition, we recorded \$2 million in out-of-period tax adjustments in the first quarter of 2005. The out-of-period adjustments identified in 2005 include net after tax charges of \$6 million to write-off negative equity of a minority partner's interest in a consolidated affiliate, recognized in Corporate, \$4 million to write-down the carrying value of certain fixed assets in the Latin America Tire Segment to correct translation recorded during the period an economy was under highly-inflationary accounting, \$3 million related to the elimination of intercompany profit in inventory, primarily in the European Union Tire Segment and Corporate, and \$2 million related to the application of a tax law change in the European Union Tire Segment, partially offset by \$6 million in out-of-period income primarily due to the overaccrual of dealer incentives in the European Union Tire Segment.

Rationalization Activity

During the second quarter of 2005 reversals of \$5 million of reserves were recorded for rationalization actions no longer needed for their originally-intended purposes. The reversals primarily consisted of associate-related costs related to a 2003 plant closure in the North American Tire Segment.

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 Engineered Products and European Union Tire Segments. During the second quarter of 2005 there were no accelerated depreciation charges and for the second quarter of 2004, \$1 million was recorded as Cost of Goods Sold for accelerated depreciation charges.

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 (\$52 million after-tax or \$0.27 per share). The net charges included reversals of \$39 million (\$32 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 \$95 million (\$84 million after-tax or \$0.44 per share). 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 900 have been released to date (265 during the first half 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.

Additional restructuring charges of \$3 million related to 2004 and 2003 rationalization plans not yet recorded are expected to be incurred and recorded primarily during the remainder of 2005. We estimate that SAG and CGS were reduced in the second quarter of 2005 by approximately \$8 million as a result of the implementation of the 2004 plans. Plan savings have been substantially offset by higher SAG and conversion costs including increased compensation and benefit costs.

For further information, refer to the Note 2, Costs Associated with Rationalization Programs.

Six Months Ended June 30, 2005 and 2004

Net sales in the first six months of 2005 were \$9,759 million, increasing 10.6% from \$8,821 million in the comparable period of 2004. Net income for the first six months of 2005 was \$137 million, or \$0.69 per diluted share compared to a net loss of \$48 million, or a loss of \$0.28 per share in the first six months of 2004.

Net sales in the first six months of 2005 for our tire segments were favorably impacted by price and product mix of approximately \$411 million, foreign currency translation of approximately \$222 million, and higher volume of approximately \$87 million. Sales also increased approximately \$117 million due to improvements in the Engineered Products Division, primarily related to increased volume and improved product mix.

Worldwide tire unit sales in the first half of 2005 were 112.3 million units, an increase of 1.6 million units, or 1.4% compared to the 2004 period. This volume improvement in the first six months of 2005 was driven by a 2.6% increase in the consumer replacement market and a 27.0% increase in the commercial OE market, partially offset by a 2.2% decrease in the consumer OE market.

CGS increased to \$7,764 million, an increase of \$698 million, or 9.9% compared to the first six months of 2004, while decreasing as a percentage of sales to 79.6% compared to 80.1% in the comparable period of 2004. Gross margin through the first six months of 2005 (20.4% in 2005 versus 19.9% in 2004) reflects our ability to offset higher raw material costs through price increases and cost reductions. CGS for our tire segments in the first six months of 2005 increased due to higher raw material costs of approximately \$239 million and product mix-related manufacturing cost increases of approximately \$143 million. CGS also increased due to foreign currency translation of approximately \$136 million and higher volume of approximately \$57 million. Lower conversion costs of approximately \$38 million were driven by savings from rationalization programs, helping to offset a portion of the CGS increase. CGS also increased by \$116 million in the Engineered Products Division primarily related to higher volume, increased raw material costs of \$13 million and foreign currency translation.

In the six months of 2005, SAG was \$1,432 million, compared to \$1,376 million in 2004, an increase of \$56 million or 4.1%. The increase in our tire segments was driven primarily by foreign currency translation, which added \$30 million to SAG in the period. Wage and benefits expenses increased by \$25 million when compared to the comparable period in 2004. Offsetting these increases were lower advertising expenses of approximately \$12 million. SAG as a percentage of sales was 14.7% in the first six months of 2005, compared to 15.6% in the 2004 period.

Interest expense increased by \$30 million to \$203 million in the first half of 2005 from \$173 million in the first half of 2004 primarily as a result of higher average debt levels and higher average interest rates, partially offset by lower credit spreads in conjunction with the April 2005 refinancing.

For the six months ended June 30, 2005, Other (income) and expense was \$30 million, compared to \$79 million in the 2004 period, a decrease of \$49 million. The decrease was primarily related to gains on insurance settlements, partially offset by higher financing write-offs in conjunction with the April 2005 refinancing. Results for the six months ended June 30, 2005, included a gain related to the 2004 fire in Germany of \$14 million and a \$20 million gain from an insurance settlement with certain insurance companies related to environmental coverage. A gain recognized from a settlement with certain insurance companies related to asbestos coverage was mostly offset by expenses recorded to reflect a reduction in our receivable from excess insurers due to a recent court determination. These recoveries were also offset by the write-off of debt issuance costs of \$47 million in connection with our refinancing activities in 2005. In the six months ended June 30, 2004, debt issuance costs written-off in connection with our 2004 refinancing were \$13 million.

For the first six months of 2005, we recorded tax expense of \$152 million on income before income taxes and minority interest in net income of subsidiaries of \$343 million. Included in tax expense for the first six months was a net tax charge of \$6 million primarily related to the settlement of prior years tax liabilities. For the first half of 2004, we recorded tax expense of \$116 million on income before income taxes and minority interest in net income of subsidiaries of \$93 million. Included in tax expense for the first six months was a net tax benefit of \$7 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.

Rationalization Activity

For the first six months of 2005, net reversals of \$13 million were recorded, which included reversals of \$15 million for reserves from rationalization actions no longer needed for their originally-intended purpose, and new charges of \$2 million. The \$15 million in 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.

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 first six months of 2005 and 2004, \$1 million and \$5 million, respectively, were recorded as Cost of Goods Sold.

We estimate that SAG and CGS were reduced in the six months ended June 30, 2005 by approximately \$16 million as a result of the implementation of the 2004 plans. Plan savings have been substantially offset by higher SAG and conversion costs, including increased compensation and benefit costs.

For further information, refer to the Note 2, Costs Associated with Rationalization Programs.

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 \$316 million in the second quarter of 2005, increasing from \$254 million in the second quarter of 2004. Total segment operating margin (total segment operating income divided by segment sales) in the second quarter of 2005 was 6.3% compared to 5.6% in the second quarter of 2004.

In the first six months of 2005, total segment operating income was \$608 million, increasing 39.8% from \$435 million in the 2004 period. Total segment operating margin in the first six months of 2005 was 6.2% compared to 4.9% 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 the Note 8, Business Segments, for further information and for a reconciliation of total segment operating income to Income before Income Taxes.

North American Tire

	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
<i>(In millions)</i>								
Tire Units	25.3	25.7	(0.4)	(1.7)%	50.6	50.4	0.2	0.3%
Net Sales	\$2,296	\$2,171	\$125	5.8%	\$4,434	\$4,109	\$325	7.9%
Segment Operating Income	55	41	14	34.1%	66	17	49	288%
Segment Operating Margin	2.4%	1.9%			1.5%	0.4%		

Three Months Ended June 30, 2005 and 2004

North American Tire unit sales in the 2005 second quarter decreased 0.4 million units or 1.7% from the 2004 period. Replacement unit sales increased 0.1 million units or 0.5% in the second quarter of 2005 compared to 2004. Original equipment volume decreased 0.5 million units or 6.5% in the second quarter of 2005 compared to 2004 due to a slowdown in

the domestic automotive industry that resulted in lower levels of vehicle production and to our selective fitment strategy in the consumer original equipment business.

Net sales increased 5.8% in the second quarter of 2005 from the 2004 period due primarily to favorable price and product mix of approximately \$105 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 increases of approximately \$45 million primarily related to growth in external chemical sales and other tire related businesses. Partially offsetting these impacts was a volume decrease of approximately \$26 million, primarily due to the sluggish consumer original equipment market.

Operating income increased 34.1% in the second quarter of 2005 from the 2004 period. Improved price and product mix of approximately \$54 million, lower conversion costs of approximately \$30 million primarily related to rationalizations and cost reduction initiatives and lower OPEB costs, and increased earnings primarily from external chemical and other tire related businesses of approximately \$23 million benefited the second quarter of 2005. The 2005 period was unfavorably impacted by increased raw material costs of approximately \$75 million and higher SAG costs of approximately \$17 million, due primarily to higher compensation costs and product liability expenses.

Operating income for the second quarter 2005 did not include rationalization net reversals of \$5 million in 2005 and charges totaling \$4 million in 2004. Operating income also did not include second quarter 2005 and 2004 gains on asset sales of \$2 million and \$1 million, respectively.

Six Months Ended June 30, 2005 and 2004

Unit sales in the six months increased 0.2 million units or 0.3% from the 2004 period. Replacement unit volume increased 1.4 million units or 4.1%, while OE volume decreased 1.2 million units or 7.1%.

Net sales increased 7.9% in the first six months of 2005 from the 2004 period due primarily to favorable price and product mix of approximately \$179 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. Also positively impacting sales for the period was growth in external chemical sales and the T&WA business of approximately \$119 million.

Operating income increased 288% in the first six months of 2005 from the 2004 period. Improved price and product mix of approximately \$84 million, lower conversion costs of approximately \$64 million, primarily related to the implementation of cost reduction initiatives resulting in productivity improvements, lower OPEB costs, rationalization activities, including the closure of the Huntsville plant, and improved earnings from external chemical and other tire related businesses of approximately \$51 million benefited the six months of 2005. The 2005 period was unfavorably impacted by increased raw material costs of approximately \$139 million and increased SAG costs of approximately \$18 million, primarily due to higher compensation costs and product liability expenses.

Operating income in the first six months of 2005 did not include rationalization net reversals of \$9 million and a gain on asset sales of \$8 million. Operating income in the first six months of 2004 did not include rationalization net charges totaling \$6 million and a gain on asset sales of \$2 million.

European Union Tire

<i>(In millions)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
Tire Units	15.9	15.4	0.5	3.2%	31.9	31.7	0.2	0.6%
Net Sales	\$1,178	\$1,060	\$118	11.1%	\$2,376	\$2,171	\$205	9.4%
Segment Operating Income	85	57	28	49.1%	192	127	65	51.2%
Segment Operating Margin	7.2%	5.4%			8.1%	5.8%		

Three Months Ended June 30, 2005 and 2004

European Union Tire segment unit sales in the 2005 second quarter increased 0.5 million units or 3.2% from the 2004 period. Replacement unit sales increased 0.5 million units or 4.7% while OE volume was essentially flat compared to the second quarter of 2004.

Net sales in the second quarter of 2005 increased 11.1% compared to the second quarter of 2004 primarily due to price and product mix of approximately \$66 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 \$31 million, largely due to increases in the consumer replacement and commercial OE markets, and the favorable effect of currency translation totaling approximately \$26 million.

For the second quarter of 2005, operating income increased 49.1% compared to 2004 due to improvements in price and product mix of approximately \$49 million driven by price increases to offset higher raw material costs and a shift towards higher value high performance, ultra-high performance and commercial tires. Operating income was adversely affected by higher raw material costs of approximately \$11 million and higher SAG expense of approximately \$10 million, due primarily to higher selling and retail costs, in the second quarter of 2005 compared to 2004.

Operating income for the second quarter of 2005 did not include a loss on the sale of assets of \$1 million. Operating income for the second quarter of 2004 did not include rationalization net charges totaling \$4 million, as well as a \$1 million gain on the sale of assets.

Six Months Ended June 30, 2005 and 2004

Unit sales in the first six months 2005 increased 0.2 million units or 0.6% from the 2004 period. Replacement volume increased 0.4 units or 1.8% while OE volume decreased 0.2 million units or 2.1%.

Net sales in the first half of 2005 increased 9.4% compared to the first half of 2004 primarily due to the favorable effect of currency translation totaling approximately \$87 million and price and product mix improvements of approximately \$120 million driven by price increases to offset higher raw material costs and a favorable mix toward the consumer replacement and commercial markets. Volume increases in the first six months impacted sales by approximately \$9 million largely due to increases in the consumer replacement and OE commercial market.

For the first six months of 2005, operating income increased 51.2% compared to 2004 due primarily to improvements in price and product mix of approximately \$82 million and favorable currency translation of approximately \$6 million. Operating income was adversely affected by higher raw material costs of approximately \$28 million in the first half of 2005 compared to 2004.

Operating income in the first six months of 2005 did not include rationalization net reversals of \$2 million and a gain on asset sales of \$4 million. Operating income in the first six months of 2004 did not include rationalization net charges totaling \$25 million and a gain on asset sales of \$2 million.

Eastern Europe, Middle East and Africa Tire

<i>(In millions)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
Tire Units	4.7	4.5	0.2	2.9%	9.5	9.2	0.3	3.2%
Net Sales	\$ 342	\$ 301	\$ 41	13.6%	\$ 682	\$ 584	\$ 98	16.8%
Segment Operating Income	49	45	4	8.9%	96	88	8	9.1%
Segment Operating Margin	14.3%	15.0%			14.1%	15.1%		

Three Months Ended June 30, 2005 and 2004

Eastern Europe, Middle East and Africa Tire unit sales in the 2005 second quarter increased 0.2 million units or 2.9% from the 2004 period. OE unit sales increased 10.2% due to growth in emerging markets.

Net sales increased 13.6% in the 2005 second quarter compared to 2004 mainly due to the favorable impact of currency translation of approximately \$12 million. Improved volume of approximately \$7 million and price and product mix of approximately \$13 million were largely due to volume increases in the replacement markets, price increases in emerging markets, and continued growth in premium brands. Also positively impacting sales in the quarter was increased retail sales of approximately \$9 million.

Operating income in the 2005 second quarter increased 8.9% from the second quarter of 2004. Operating income for the 2005 period was favorably impacted by improved volume of approximately \$3 million and price and product mix of approximately \$12 million, due primarily to volume increases in the OE markets, and continued growth in premium brands. Foreign currency translation also favorably impacted operating income by approximately \$7 million in the period. Higher raw material costs of approximately \$7 million, higher conversion costs of approximately \$3 million, primarily related to lower inter-segment volumes, and higher advertising expenses in developing regions, negatively impacted the 2005 period.

Operating income for the second quarter of 2005 did not include a loss on the sale of assets of \$1 million.

Six Months Ended June 30, 2005 and 2004

Unit sales in the first six months of 2005 increased 0.3 million units or 3.2% from the 2004 period. Replacement volume increased 0.2 million units or 2.3% and OE volume increased 0.1 million units or 7.2%.

For the first six months of 2005, net sales increased 16.8%, compared to 2004 mainly due to the favorable impact of currency translation of approximately \$42 million. Improved volume of approximately \$14 million, price and product mix of approximately \$30 million, largely due to volume increases in the OE markets, price increases in emerging markets, and growth in premium brands, and increased retail sales of approximately \$11 million positively impacted sales in the period.

Operating income in the first half 2005 increased 9.1% from the first half of 2004. Operating income for 2005 was favorably impacted by positive foreign currency translation of approximately \$19 million, improved volume of approximately \$6 million and price and product mix of approximately \$27 million, due primarily to volume increases in the OE markets and growth in premium brands. Higher raw material costs of approximately \$16 million and lower inter-segment volumes which reduced operating income by approximately \$15 million impacted the 2005 period. Also negatively impacting the period were lower retail profitability of approximately \$5 million and increased SAG costs of approximately \$4 million, primarily related to higher advertising expenses in developing regions.

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

Latin American Tire

	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
<i>(In millions)</i>								
Tire Units	5.4	4.7	0.7	14.8%	10.4	9.6	0.8	7.8%
Net Sales	\$ 381	\$ 291	\$ 90	30.9%	\$ 729	\$ 594	\$ 135	22.7%
Segment Operating Income	77	61	16	26.2%	164	123	41	33.3%
Segment Operating Margin	20.2%	21.0%			22.5%	20.7%		

Three Months Ended June 30, 2005 and 2004

Latin American Tire unit sales in the 2005 second quarter increased 0.7 million units or 14.8% from the 2004 period. Replacement unit sales increased 0.2 million units or 4.7% and OE volume increased 0.5 million units or 51.3%.

Net sales in the 2005 second quarter increased 30.9% from the 2004 period. Net sales increased in 2005 due to increased volume of approximately \$39 million, price and product mix of approximately \$23 million and the favorable impact of currency translation, mainly in Brazil, of approximately \$37 million.

Operating income in the second quarter 2005 increased 26.2% from the comparable period in 2004. Operating income was favorably impacted by approximately \$24 million related to improved pricing and product mix, as well as approximately \$11 million due to increased volumes and approximately \$15 million from the favorable impact of currency translation. Increased raw material costs of approximately \$20 million and higher SAG costs of approximately \$4 million, due primarily to higher compensation costs, negatively impacted operating income compared to the 2004 period. Also negatively impacting income for the period were approximately \$3 million of increased conversion costs.

Operating income for the second quarter of 2004 did not include rationalization net charges totaling \$2 million.

Six Months Ended June 30, 2005 and 2004

Unit sales in the first six months 2005 increased 0.8 million units or 7.8% from the 2004 period. Replacement units increased 0.6%, while OE volume increased 0.7 million units or 33.5%.

For the first six months of 2005 net sales increased 22.7% from the comparable 2004 period. Net sales increased in 2005 due to improvements in price and product mix of approximately \$57 million, volume of approximately \$42 million and the favorable impact of currency translation, mainly in Brazil, of approximately \$52 million, partially offset by lower other tire related sales of approximately \$9 million.

Operating income in the first half 2005 increased 33.3% from the comparable period in 2004. Operating income was favorably impacted by approximately \$59 million related to improved pricing and product mix and the favorable impact of currency translation of approximately \$27 million. Increased raw material costs of approximately \$36 million and higher SAG costs of approximately \$8 million, primarily due to higher compensation costs, negatively impacted operating income compared to the 2004 period.

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

Asia / Pacific Tire

<i>(In millions)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
Tire Units	5.1	4.7	0.4	9.4%	9.9	9.8	0.1	1.2%
Net Sales	\$368	\$328	\$ 40	12.2%	\$709	\$651	\$ 58	8.9%
Segment Operating Income	20	17	3	17.6%	39	25	14	56.0%
Segment Operating Margin	5.4%	5.2%			5.5%	3.8%		

Three Months Ended June 30, 2005 and 2004

Asia / Pacific Tire unit sales in the 2005 second quarter increased 0.4 million units or 9.4% from the 2004 period. Replacement unit sales increased 0.2 million units or 5.9% and OE volume increased 0.3 million units or 18.3%.

Net sales in the 2005 quarter increased 12.2% compared to the 2004 period due to favorable currency translation of approximately \$21 million and a volume increase of approximately \$21 million.

Operating income in the second quarter of 2005 increased 17.6% compared to the 2004 period due to improved price and product mix of approximately \$12 million and volume of approximately \$5 million, offset in part by raw material cost increases of \$13 million.

Six Months Ended June 30, 2005 and 2004

Unit sales in the first six months 2005 increased 0.1 million units or 1.2% from the 2004 period. Replacement volume decreased 0.3 units or 3.5% while OE volume increased 0.4 million units or 14.4%.

Net sales in the first half of 2005 increased 8.9% compared to the first half of 2004 due to favorable price and mix of approximately \$27 million, favorable currency translation of approximately \$24 million and increased volume of approximately \$6 million.

Operating income in the first half of 2005 increased 56.0% compared to the 2004 period due to improved price and product mix of approximately \$23 million and non-recurring FIN 46 related charges of approximately \$7 million in 2004, offset in part by raw material cost increases of \$21 million. Also, positively impacting income for the period were increased volume of approximately \$1 million, lower SAG costs of approximately \$1 million and favorable foreign currency translation of approximately \$1 million.

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

Engineered Products

<i>(In millions)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2004	Change	Percent Change	2005	2004	Change	Percent Change
Net Sales	\$427	\$368	\$59	16.0%	\$829	\$712	\$117	16.4%
Segment Operating Income	30	33	(3)	(9.1)%	51	55	(4)	(7.3)%
Segment Operating Margin	7.0%	9.0%			6.2%	7.7%		

Three Months Ended June 30, 2005 and 2004

Engineered Products sales increased 16.0% in the second quarter of 2005 from 2004 levels due to improved volume of approximately \$39 million, mainly in the industrial channel, price and product mix of approximately \$8 million and the favorable effect of currency translation of approximately \$11 million.

Operating income decreased 9.1% in the second quarter of 2005 compared to the 2004 period due primarily to increased conversion costs of approximately \$4 million, higher raw material costs of approximately \$6 million, and higher SAG expense of approximately \$6 million primarily due to higher compensation and consulting expenses. Also negatively impacting earnings in the period were higher freight costs and other less significant items. Operating income was favorably impacted by improved volume of approximately \$9 million and price and product mix of approximately \$8 million.

Six Months Ended June 30, 2005 and 2004

Sales increased 16.4% in the first half of 2005 from 2004 due to improved volume of approximately \$83 million, mainly in the industrial and military channels, price and product mix of approximately \$15 million and the favorable effect of currency translation of approximately \$19 million.

Operating income decreased 7.3% in the first half of 2005 compared to the 2004 period due primarily to increased conversion costs of approximately \$13 million, higher raw material costs of approximately \$13 million and higher SAG expense of approximately \$10 million primarily due to higher compensation, consulting and bad debt

expenses, and higher product liability expenses. Operating income was favorably impacted by improved volume of approximately \$32 million.

Operating income for the first six months of 2004 did not include a gain on the sale of assets of \$1 million.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2005, we had \$1,621 million in cash and cash equivalents as well as \$1,580 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 included the settlement fund balance related to Entran II litigation as well as cash deposited in support of trade agreements and performance bonds, and historically has included cash deposited in support of borrowings incurred by subsidiaries. At June 30, 2005, cash balances totaling \$219 million were subject to such restrictions, compared to \$152 million at December 31, 2004. The increase was primarily due to receipt of insurance settlements subject to restrictions.

OPERATING ACTIVITIES

Cash flow provided by operating activities was \$61 million in the first six months of 2005, an improvement of approximately \$101 million from the comparable prior year period. The improvement was driven by net income of \$137 million during the first six months of 2005 compared to a loss of \$48 million in the first six months of 2004, partially offset by higher pension contributions of \$94 million.

INVESTING ACTIVITIES

Cash flow used in investing activities of \$204 million was consistent with first six months of 2004. Our 2005 capital expenditures of \$228 million primarily represents spending for plant upgrades and expansions and new tire molds. We expect full year 2005 capital expenditures to be approximately \$640 million.

FINANCING ACTIVITIES

Cash flows used in financing activities of \$153 million decreased by \$192 million from the prior year six month period primarily due to net debt payments in 2005 of \$32 million versus net borrowings in the comparable period in 2004 of \$154 million.

Credit Sources

In aggregate, we had committed and uncommitted credit facilities of \$7,504 million available at June 30, 2005, of which \$1,580 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 6.375% 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 6.375% 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 June 30, 2005, there were \$499 million of letters of credit issued under the deposit-funded facility. There were no borrowings under the revolver at June 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 June 30, 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 June 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. At closing, we used the entire availability under the €155 million term loan facilities and €155 million German revolving credit facility to pay down and retire our prior credit 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 June 30, 2005, \$30 million was borrowed under the German revolving credit facility and \$187 million under the German term loan facilities.

For a description of the collateral securing the above facilities as well as the covenants applicable to them, please refer to Note 5, "Financing Arrangements" or the "Liquidity and Capital Resources" section of our Quarterly Report on Form 10-Q for the period ended March 31, 2005.

Consolidated EBITDA (per Credit Agreements)

Subsequent to the April 8, 2005 refinancing described above, 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 six month periods ended June 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.

<i>(In millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net Income (Loss)	\$ 69	\$ 30	\$137	\$ (48)
Interest Expense	101	89	203	173
Income Tax	85	59	152	116
Depreciation and Amortization Expense	150	149	307	310
EBITDA	405	327	799	551
Credit Agreement Adjustments:				
Other (Income) and Expense	17	27	27	74
Minority Interest in Net Income (Loss) of Subsidiaries	33	19	54	25
Consolidated Interest Expense Adjustment	1	2	3	5
Rationalizations	(5)	10	(13)	34
Consolidated EBITDA	\$451	\$385	\$870	\$689

Other Foreign Credit Facilities

At June 30, 2005, we had short-term committed and uncommitted bank credit arrangements totaling \$413 million, of which \$148 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 (\$225 million) of funding. The facility was expanded to €275 million (\$332 million) on May 23, 2005, and will be subject to customary annual renewal of back-up liquidity lines.

As of June 30, 2005, the amount outstanding and fully utilized under this program was \$332 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 had transferred accounts receivable under other programs totaling \$72 million and \$63 million at June 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 June 30, 2005 and December 31, 2004, proceeds available to these subsidiaries from the sale of certain of their receivables totaled \$4 million and \$5 million, respectively. 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 do not 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. We failed to file a registration statement for the convertible notes by November 7, 2004, and as a result, will pay additional interest until such time as a registration statement is filed and declared effective. 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 (or, if required, the shelf registration statement is not declared effective) by December 7, 2004. 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. Because no such exchange offer was filed or declared effective by December 7, 2004, we will pay additional interest until an exchange offer is completed. 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. 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 (or, if required, the shelf registration statement is not declared effective) 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. As of June 30, 2005, the additional interest associated with the convertible notes issued in June 2004 and \$650 million senior secured notes issued in March 2004, was 0.50% and 1.50%, respectively. We plan to file each of the registration statements discussed above as soon as practicable.

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

By completing the April 8, 2005 refinancing, we effectively extended the maturity date of \$650 million and \$1,950 million of long-term debt, a portion of which was coming due in 2005 and 2006, respectively. Also, on June 23, 2005, we completed an offering of \$400 million aggregate principal amount of senior notes due 2015. 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 issued 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

As part of our continuing effort to divest non-core businesses, we previously announced, on June 27, 2005, that we had agreed to sell our Wingtack adhesives resin business to Sartomer Company Inc. for approximately \$55 million in cash proceeds and retain \$10 million in working capital subject to regulatory approval. We also announced on February 28, 2005, that we entered into an agreement to sell the assets of our North American farm tire business to Titan International, for approximately \$100 million, pending government, regulatory and union approvals. In November 2004, we entered into an agreement to sell our natural rubber plantations in Indonesia at a purchase price of approximately \$62 million, subject to regulatory approval. We continue to work on obtaining the necessary approvals for these transactions.

COMMITMENTS & CONTINGENCIES

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

(In millions)	Payment Due by Period as of June 30, 2005						
	Total	1 Year	2 Years	3 Years	4 Years	5 Years	After 5 Years
Long Term Debt (1)	\$ 5,425	\$ 461	\$ 573	\$ 100	\$ 1	\$ 1,754	\$ 2,536
Capital Lease Obligations (2)	107	11	12	12	11	11	50
Interest Payments (3)	2,495	383	349	320	314	293	836
Operating Leases (4)	1,490	264	267	206	154	127	472
Pension Benefits (5)	1,182	482	700	(5)	(5)	(5)	(5)
Other Post Retirement Benefits (6)	2,363	304	301	252	243	233	1,030
Workers' Compensation (7)	328	63	47	34	24	18	142
Binding Commitments (8)	1,081	843	40	27	25	22	124
Total Contractual Cash Obligations	\$ 14,471	\$ 2,811	\$ 2,289	\$ 951	\$ 772	\$ 2,458	\$ 5,190

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

(2) The present value of capital lease obligations is \$75 million.

(3) These amounts represent future interest payments related to our existing debt obligations as of June 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 June 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 \$52 million, \$44 million, \$34 million, \$25 million, \$17 million and \$30 million in each of the periods above, respectively, for a total of \$202 million. Net operating lease payments total \$1,288 million. The present value of operating leases is \$895 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. 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 \$70 million of expected contributions to our funded international pension plans in 2005. Although subject to change, we expect to make contributions to our domestic pension plans of approximately \$400 to \$425 million in 2005. The amount in the table for 2005

represents the midpoint of this range plus expected contributions to our funded international plans. The expected contributions are based upon a number of assumptions, including:

- an ERISA liability interest rate of 6.10% for 2005, and
- plan asset returns of 8.5% in 2005.

At the end of 2005, the current interest relief rate measures used for pension funding calculations expire. If current measures are extended, we estimate that required contributions in 2006 will be in the range of \$575 million to \$625 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 \$675 million to \$725 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 post-retirement 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 include an estimated reduction in our obligations totaling approximately \$475 million to \$525 million resulting from 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 \$249 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.

<i>(In millions)</i>	Amount of Commitment Expiration per Period						
	Total	1st Year	2nd Year	3rd Year	4th Year	5th Year	Thereafter
Customer Financing Guarantees	\$ 6	\$ 2	\$ 1	\$ —	\$ 1	\$ 1	\$ 1
Affiliate Financing Guarantees	3	3	—	—	—	—	—
Other Guarantees	1	—	1	—	—	—	—
Off-Balance Sheet Arrangements	<u>\$ 10</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

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. An entity should recognize the cumulative effect of initially applying FSP 143-1 as a change in accounting principle as described in paragraph 20 of APB (Accounting Principals Board) Opinion No. 20, “Accounting Changes.” 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 have adopted the FSP during the second quarter of 2005 at certain of our European operations where applicable legislation was adopted and the impact on the consolidated financial statements was not significant.

ITEM 3. 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. 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 June 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 actions and other related events, our access to these instruments may be limited.

The following tables present information at June 30:

Interest Rate Swap Contracts

(Dollars in millions)

	2005	2004
Fixed Rate Contracts:		
Notional principal amount	\$ —	\$ 14
Pay fixed rate	—%	5.94%
Receive variable Australian Bank Bill Rate	—	5.48
Average years to maturity	—	1.00
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	1.4	2.45
Fair value – asset (liability)	\$ 3	\$ 8
Pro forma fair value – asset (liability)	2	7

The pro forma fair value assumes a 10% increase in variable market interest rates at June 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:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Fixed Rate Contracts:				
Domestic:				
Notional principal	\$ —	\$ —	\$ —	\$ 162
Pay fixed rate	—%	—%	—%	5.00%
Receive variable LIBOR	—	—	—	1.18
International:				
Notional principal (AUD 20 million)	\$ 15	\$ 14	\$ 15	\$ 15
Pay fixed rate	5.94%	5.94%	5.94%	5.94%
Receive variable Australian Bank Bill Rate	5.69	5.51	5.66	5.51
Floating Rate Contracts:				
Notional principal	\$ 200	\$ 200	\$ 200	\$ 200
Pay variable LIBOR	4.57%	3.00%	4.44%	2.97%
Receive fixed rate	6.63	6.63	6.63	6.63

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

(In millions)

Fixed Rate Debt	2005	2004
Fair value – liability	\$ 2,989	\$ 2,607
Carrying amount – liability	2,875	2,616
Pro forma fair value – liability	2,891	2,566

The pro forma information assumes a 100 basis point increase in market interest rates at June 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 and €100 million of the Euro Notes due 2005 are hedged by currency swap agreements. The currency swap agreement hedging €100 million of our Euro Notes matured with our Euro Notes on June 6, 2005.

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

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

<i>(In millions)</i>	2005	2004
Fair value — asset (liability)	\$ 44	\$ 78
Pro forma change in fair value	(20)	(20)
Contract maturities	7/05-10/19	7/04-7/19

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

The pro forma change in fair value assumes a 10% change in foreign exchange rates at June 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 June 30 as follows:

<i>(In millions)</i>	2005	2004
Fair value – asset (liability):		
Swiss franc swap-current	\$ 43	\$ (1)
Swiss franc swap-long term	—	46
Euro swaps-current	—	30
Euro swaps-long term	—	—
Other-current asset	5	6
Other-current liability	(4)	(3)

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 identify forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Form 10-Q. 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 and Item 4 of Part I of this Quarterly Report on Form 10-Q as of June 30, 2005, 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 have experienced significant losses in 2001, 2002 and 2003. Although we recorded net income in 2004 and the first six months of 2005, we cannot provide assurance that we will be able to achieve or sustain future profitability. Our future profitability is dependent upon 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;
- a decline in the value of the securities held by our employee benefit plans or a decline in interest rates would increase our pension expense and the underfunded levels of our plans. Termination by the Pension Benefit Guaranty Corporation of any of our U.S. pension plans would further increase our pension expense and could result in additional liens on material amounts of our assets;
- 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 disruptions associated with global events including war, acts of terror and civil obstructions;
- 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; 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.

ITEM 4. CONTROLS AND PROCEDURES.

Material Weaknesses Identified in Management's Report on Internal Control over Financial Reporting

Beginning with the year ended December 31, 2004, Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") requires our senior management to provide an annual report on internal control over financial reporting. This report must contain (i) a statement of management's responsibility for establishing and maintaining adequate internal controls over our financial reporting, (ii) a statement identifying the framework used by management to conduct the required evaluation of the effectiveness of internal controls over financial reporting, (iii) management's assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year, including a statement as to whether or not our internal controls over financial reporting are effective, and (iv) a statement that our independent auditors have issued an attestation report on management's assessment of internal control over financial reporting. In seeking to achieve compliance with Section 404 within the prescribed period, management formed an internal control steering committee, engaged outside consultants and adopted a detailed program to assess the adequacy of internal control over financial reporting, create or supplement documentation of controls over financial reporting, remediate control weaknesses that may be identified, validate through testing that the controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

Management's report on internal control over financial reporting as of December 31, 2004, was included in our 2004 Form 10-K. In the report, management concluded that there were two material weaknesses in our internal control over financial reporting. The management report described these two material weaknesses as follows:

Account Reconciliations. At December 31, 2004, we did not maintain effective control over the preparation and review of account reconciliations of certain general ledger accounts. This control deficiency primarily related to account reconciliations of goodwill, deferred charges, fixed assets, compensation and benefits, accounts payable-trade and the accounts of a retail subsidiary in France. This control deficiency resulted in misstatements that were part of the restatement of our consolidated financial statements for 2003, 2002 and 2001, for each of the quarters for the year ended December 31, 2003 and for the first, second and third quarters for the year ended December 31, 2004. Additionally, this control deficiency could result in a material misstatement to annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management has determined that this control deficiency constitutes a material weakness.

Segregation of Duties. At December 31, 2004, we did not maintain effective controls over the segregation of duties at the application control level in certain information technology environments as a result of not restricting the access of certain individuals in both information technology and finance. These deficiencies existed in varying degrees in certain business segments within the revenue and purchasing processes. This control deficiency did not result in any adjustments to the annual or interim consolidated financial statements; however, this control deficiency could result in a material misstatement to annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management has determined that this control deficiency constitutes a material weakness.

These material weaknesses continued to exist as of June 30, 2005. In our Form 10-Q for the quarter ended March 31, 2005, we cited remedial actions taken in 2005 to address these material weaknesses.

Management continues to monitor the effectiveness of the remedial measures implemented in order to determine whether the account reconciliation and segregation of duties material weaknesses can be considered to be remediated. One factor that may affect management's assessment of the effectiveness of our internal control over financial reporting is the level of our net income or loss in future periods. In general, the lower a company's net income, the greater likelihood that a control deficiency would result in a material misstatement of the annual or interim financial statements.

Disclosure Controls and Procedures

In connection with the preparation of this Form 10-Q, our senior management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and

procedures as of June 30, 2005. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were ineffective, as of June 30, 2005, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 (the "Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. This conclusion is based primarily on the fact that we continued to have material weaknesses in our internal control over financial reporting as of such date. Through the date of the filing of this Form 10-Q, we have employed remedial measures to address the deficiencies in our disclosure controls that existed on June 30, 2005 and have taken additional measures to verify the information in our financial statements. We believe that, as a result of these remedial and other measures, this Form 10-Q properly reports all information required to be included in such report. It should be noted that no system of controls can provide complete assurance of achieving our objectives, and future events may impact the effectiveness of a system of controls.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Heatway Litigation and Amended Settlement

As previously reported, we had entered into an amended settlement agreement intended to address 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. A description of our financial obligations and the extent to which certain claims are covered under the amended settlement is set forth in Item 3 of Part I of our 2004 Form 10-K.

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 *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. Although liability resulting from the opt-outs described above 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.

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.

Asbestos Litigation

As reported in the Form 10-Q for the quarter ended March 31, 2005, we are one of numerous defendants in legal proceedings in certain state and Federal courts involving approximately 129,100 claimants relating to their alleged exposure to materials containing asbestos in products allegedly manufactured by us or asbestos materials present in our facilities. During the second quarter of 2005, approximately 1,200 new claims were filed against us and approximately 1,200 were settled or

dismissed. The amount expended on asbestos defense and claim resolution by Goodyear and its insurance carriers during the second quarter and first six months of 2005 were \$5 million and \$13 million, respectively. At June 30, 2005, there were approximately 129,100 claims pending against us relating to alleged asbestos-related diseases allegedly resulting from exposure to asbestos in products manufactured by us or in materials containing asbestos present in our facilities. The plaintiffs are seeking unspecified actual and punitive damages and other relief. See Note 7 for a discussion of the second quarter insurance settlement and additional information on Asbestos Litigation.

Reference is made to Item 3 of Part I of the 2004 Form 10-K and Item 1 of Part II of the Form 10-Q for the quarterly period ended March 31, 2005 for additional discussion of legal proceedings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information with respect to repurchases of common stock made by us during the three months ended June 30, 2005. These shares were delivered to us by employees as payment for the exercise price of stock options as well as the withholding taxes due upon the exercise of the stock option.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/05-4/30/05	—	—	—	—
5/1/05-5/31/05	21,269	13.69	—	—
6/1/05-6/30/05	10,046	14.23	—	—
Total	31,315	13.87	—	—

ITEM 6. EXHIBITS.

See the Index of Exhibits at page E-1, which is by specific reference incorporated into and made a part of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GOODYEAR TIRE & RUBBER COMPANY

(Registrant)

Date: August 4, 2005

/s/ Thomas A. Connell

Thomas A. Connell, Vice President and Controller
(Signing on behalf of Registrant as a duly authorized
officer of Registrant and signing as the principal
accounting officer of Registrant.)

THE GOODYEAR TIRE & RUBBER COMPANY

**Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 2005**

INDEX OF EXHIBITS

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
3	Articles of Incorporation and By-Laws	
(a)	Certificate of Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated December 20, 1954, and Certificate of Amendment to Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated April 6, 1993, and Certificate of Amendment to Amended Articles of Incorporation of the Company dated June 4, 1996, three documents comprising the Company's Articles of Incorporation, as amended (incorporated by reference, filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8, File No. 333-126566).	
(b)	Code of Regulations of The Goodyear Tire & Rubber Company, adopted November 22, 1955, and amended April 5, 1965, April 7, 1980, April 6, 1981, April 13, 1987, May 7, 2003 and April 26, 2005 (incorporated by reference, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2005, File No. 1-1927).	
4	Instruments Defining the Rights of Security Holders, Including Indentures	
(a)	Specimen nondenominational Certificate for shares of the Common Stock, Without Par Value, of the Company; EquiServe Trust Company, transfer agent and registrar (incorporated by reference, filed as Exhibit 4.3 to the Company's Registration Statement on Form S-8, File No. 333-126566).	
(b)	Indenture, dated as of March 15, 1996, between the Company and JPMorgan Chase Bank, as Trustee, as supplemented on December 3, 1996, March 11, 1998, and March 17, 1998 (incorporated by reference, filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, File No. 1-1927).	
(c)	Indenture, dated as of March 1, 1999, between the Company and JPMorgan Chase Bank, as Trustee, as supplemented on March 14, 2000 in respect of \$300,000,000 principal amount of the Company's 8.50% Notes due 2007 (incorporated by reference, filed as Exhibit 4.1, to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, File No. 1-1927), and as further supplemented on August 15, 2001, in respect of the Company's \$650,000,000 principal amount of the Company's 7.857% Notes due 2011 (incorporated by reference, filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2001, File No. 1-1927).	
(d)	First Lien Credit Agreement, dated as of April 8, 2005, among Goodyear, the lenders party thereto, the issuing banks party thereto, Citicorp USA, Inc. as Syndication Agent, Bank of America, N.A., as Documentation Agent, the CIT Group/Business Credit, Inc., as Documentation Agent, General Electric Capital Corporation, as Documentation Agent, GMAC Commercial Finance LLC, as Documentation Agent and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (incorporated by reference, filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(e)	Second Lien Credit Agreement, dated as of April 8, 2005, among Goodyear, the lenders party thereto, Deutsche Bank Trust Company Americas, as Collateral Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference, filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(f)	Third Lien Credit Agreement, dated as of April 8, 2005, among Goodyear, the subsidiary guarantors listed on the signature pages thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference, filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
(g)	Amended and Restated Term Loan and Revolving Credit Agreement, dated as of April 8, 2005, among Goodyear, Goodyear Dunlop Tires Europe B.V., Goodyear Dunlop Tires Germany GmbH, Goodyear GmbH & Co. KG, Dunlop GmbH & Co. KG, Goodyear Luxembourg Tires S.A., the lenders party thereto, J.P. Morgan Europe Limited, as Administrative Agent, and JPMorgan Chase Bank, N.A., as Collateral Agent, including Amendment and Restatement Agreement, dated as of April 8, 2005 (incorporated by reference, filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(h)	First Lien Guarantee and Collateral Agreement, dated as of April 8, 2005, among Goodyear, the Subsidiaries of Goodyear identified therein and JPMorgan Chase Bank, N.A., as collateral agent (incorporated by reference, filed as Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(i)	Second Lien Guarantee and Collateral Agreement, dated as of April 8, 2005, among Goodyear, the Subsidiaries of Goodyear identified therein and Deutsche Bank Trust Company Americas, as collateral agent (incorporated by reference, filed as Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(j)	Master Guarantee and Collateral Agreement, dated as of March 31, 2003, as Amended and Restated as of February 20, 2004, and as further Amended and Restated as of April 8, 2005, among Goodyear, Goodyear Dunlop Tires Europe B.V., the other subsidiaries of Goodyear identified therein and JPMorgan Chase Bank, N.A., as Collateral Agent, including Amendment and Restatement Agreement, dated as of April 8, 2005 (incorporated by reference, filed as Exhibit 4.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(k)	Lenders Lien Subordination and Intercreditor Agreement, dated as of April 8, 2005, among JPMorgan Chase Bank, N.A. as collateral agent for the First Lien Secured Parties referred to therein, Deutsche Bank Trust Company Americas, as collateral agent for the Second Lien Secured Parties referred to therein, Goodyear, and the subsidiaries of Goodyear named therein (incorporated by reference, filed as Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-1927).	
(l)	Purchase Agreement, dated June 20, 2005, among Goodyear, certain subsidiaries of Goodyear and Citigroup Global Markets Inc., as representative of the several purchasers listed therein (incorporated by reference, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 24, 2005, File No. 1-1927).	
(m)	Indenture, dated as of June 23, 2005 among Goodyear, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as Trustee (incorporated by reference, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed June 24, 2005, File No. 1-1927).	
(n)	Registration Rights Agreement, dated as of June 23, 2005, among Goodyear, Citigroup Global Markets Inc., BNP Paribas Securities Corp., Credit Suisse First Boston LLC, Goldman, Sachs & Co., J.P. Morgan Securities Inc., Calyon Securities (USA) Inc., Deutsche Bank Securities, Inc., Natexis Bleichroeder Inc. and KBC Financial Products USA, Inc. (incorporated by reference, filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed June 24, 2005, File No. 1-1927).	
(o)	Amendment No. 1 to the General Master Purchase Agreement dated May 23, 2005 between Ester Finance Titrisation, as Purchaser, Eurofactor, as Agent, Calyon, as Joint Lead Arranger and as Calculation Agent, Natexis Banques Populaires, as Joint Lead Arranger, Goodyear Dunlop Tires Finance Europe B.V. and the Sellers listed therein (including Amended and Restated General Master Purchase Agreement).	4.1
(p)	Amendment No. 1 to the Master Subordinated Deposit Agreement dated May 23, 2005 between Eurofactor, as Agent, Calyon, as Calculation Agent, Ester Finance Titrisation, as Purchaser, and Goodyear Dunlop Tires Finance Europe B.V. (including Amended and Restated Master Subordinated Deposit Agreement).	4.2

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
(q)	Master Complementary Deposit Agreement dated December 10, 2004 between Eurofactor, as Agent, Calyon, as Calculation Agent, Ester Finance Titrisation, as Purchaser, and Goodyear Dunlop Tires Finance Europe B.V. (incorporated by reference, filed as Exhibit 4.3 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-1927).	
(r)	Indenture dated as of March 12, 2004 among Goodyear, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as Trustee (incorporated by reference, filed as Exhibit 4.11 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-1927).	
(s)	Note Purchase Agreement dated as of March 12, 2004 among Goodyear, certain subsidiaries of Goodyear and the investors listed therein (incorporated by reference, filed as Exhibit 4.12 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-1927).	
(t)	Registration Rights Agreement dated as of March 12, 2004 among Goodyear, certain subsidiaries of Goodyear and the investors listed therein (incorporated by reference, filed as Exhibit 4.13 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-1927).	
(u)	Collateral Agreement dated as of March 12, 2004 among Goodyear, certain subsidiaries of Goodyear and Wilmington Trust Company, as Collateral Agent (incorporated by reference, filed as Exhibit 4.14 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-1927).	
(v)	Lien Subordination and Intercreditor Agreement dated as of March 12, 2004 among Goodyear, certain subsidiaries of Goodyear, JPMorgan Chase Bank and Wilmington Trust Company (incorporated by reference, filed as Exhibit 4.15 to Goodyear's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-1927).	
(w)	Note Purchase Agreement, dated June 28, 2004, among Goodyear and the purchasers listed therein (incorporated by reference, filed as Exhibit 4.3 to Goodyear's Form 10-Q for the quarter ended September 30, 2004, File No. 1-1927).	
(x)	Indenture, dated as of July 2, 2004, between Goodyear, as Company, and Wells Fargo Bank, N.A., as Trustee (incorporated by reference, filed as Exhibit 4.4 to Goodyear's Form 10-Q for the quarter ended September 30, 2004, File No. 1-1927).	
(y)	Registration Rights Agreement, dated as of July 2, 2004, among Goodyear, Goldman, Sachs & Co., Deutsche Bank Securities Inc., and J.P. Morgan Securities Inc. (incorporated by reference, filed as Exhibit 4.5 to Goodyear's Form 10-Q for the quarter ended September 30, 2004, File No. 1-1927).	
	In accordance with Item 601(b)(4)(iii) of Regulation S-K, agreements and instruments defining the rights of holders of long-term debt of the Company pursuant to which the amount of securities authorized thereunder does not exceed 10% of the consolidated assets of the Company and its subsidiaries are not filed herewith. The Company hereby agrees to furnish a copy of any such agreement or instrument to the Securities and Exchange Commission upon request.	
10	Material Contracts	
(a)	Performance Recognition Plan of The Company adopted effective January 1, 2003	10.1
12	Statement re Computation of Ratios	
(a)	Statement setting forth the Computation of Ratio of Earnings to Fixed Charges.	12
31	302 Certifications	
(a)	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	31.1
(b)	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	31.2
32	906 Certifications	

Exhibit Table Item No.	Description of Exhibit	Exhibit Number
(a)	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	32.1

GOODYEAR

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AMENDMENT NO.1 TO THE
GENERAL MASTER PURCHASE AGREEMENT
DATED DECEMBER 10, 2004

DATED 23 MAY 2005

BETWEEN

ESTER FINANCE TITRISATION
as Purchaser

EUROFACTOR
as Agent

CALYON
as Joint Lead Arranger and as Calculation Agent

NATEXIS BANQUES POPULAIRES
as Joint Lead Arranger

GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.
as Centralising Unit

THE SELLERS
listed in Schedule 1

AND

GOODYEAR DUNLOP TIRES GERMANY GMBH

En accord entre les parties, les
presentes ont ete reliees par le
procede ASSEMBLACT R.C.
empechant toute substitution ou
addition et sont seulement
signees a la derniere page.

[GIDE LOYRETTE NOUEL LOGO]

26, COURS ALBERT 1(CR) 75008 PARIS TEL. +33 (0)1 40 75 60 00
FAX +33 (0)1 43 59 37 79 E-MAIL INFO@GIDE.COM WWW.GIDE.COM

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THIS FIRST AMENDMENT IS ENTERED INTO BETWEEN:

1. ESTER FINANCE TITRISATION, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 19 Boulevard des Italiens, 75 002 Paris, France, registered with the Trade and Companies Registry of Paris under the number 414 886 226, whose representative is duly authorised for the purpose of this First Amendment (the "PURCHASER");
2. EUROFACTOR, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at Tour d'Asnieres, 4, avenue Laurent Cely, 92608 Asnieres, France, registered with the Trade and Companies Registry of Nanterre under the number 642 041 560, whose representative is duly authorised for the purpose of this First Amendment (the "AGENT");
3. CALYON, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 9 quai du President Paul Doumer, 92920 Paris La Defense Cedex, France, registered with the Trade and Companies Registry of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this First Amendment ("CALYON", the "JOINT LEAD ARRANGER" or the "CALCULATION AGENT");
4. NATEXIS BANQUES POPULAIRES, a limited company (societe anonyme) incorporated under French law and duly authorised as a credit institution (etablissement de credit), having its registered office at 45, rue Saint Dominique 75007 Paris, France and registered with the Trade and Companies Registry of Paris (Registre du Commerce et des Societes de Paris) under the number 542 044 524, whose representatives are duly authorised for the purpose of this First Amendment ("NBP" or the "JOINT LEAD ARRANGER");
5. GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V., a company incorporated under Dutch law, having its registered office at Deboelelaan 7, 1083 HJ, Amsterdam, The Netherlands, registered with the Companies Registry of Amsterdam under the number 34197964, whose representative is duly authorised for the purpose of this First Amendment (hereafter referred to as the "CENTRALISING UNIT");
6. THE COMPANIES listed in Schedule 1 (each of them as a "SELLER" and collectively the "SELLERS");
7. GOODYEAR DUNLOP TIRES GERMANY GMBH, a company incorporated under the laws of the Federal Republic of Germany, having its registered office at Dunlopstrasse 2, 63450 Hanau, Germany, registered with the commercial register of the local court in Hanau under number HRB 7163 (the "GOODYEAR DUNLOP TIRES GMBH");

All individually referred hereinafter to as an "AMENDMENT PARTY" and collectively referred to as the "AMENDMENT PARTIES".

WHEREAS:

1. The Purchaser, the Agent, the Joint Lead Arrangers, the Centralising Unit and the Sellers and Goodyear Dunlop Tires Germany GmbH entered into on December 10, 2004, a general master purchase agreement (the "GENERAL MASTER PURCHASE AGREEMENT") pursuant to which such companies may sell trade receivables to the Purchaser.
2. As of the date hereof, the Purchaser, the Agent, the Joint Lead Arrangers, the Centralising Unit, the Sellers and Goodyear Dunlop Tires Germany GmbH agreed to amend the General Master Purchase Agreement, including, (i) the calendar dates of the General Master Purchase Agreement as appears in Schedule 11 of the General Master Purchase Agreement, (ii) the financial covenants set out in article 13.3 (xv) of the General Master Purchase Agreement and (iii) the integration of a New German Seller, Goodyear Dunlop Tires OE GmbH, to the Securitisation Transaction.
3. At the same time, a new Issuer, Quasar, a conduit of KBC Bank N.V., a company incorporated under Belgian law and authorised as a credit institution (etablissement de credit), having its registered office at Havenlaan 2, B-1080 Brussels, Belgium, shall subscribe to units in the French fonds commun de creances (the "FUND") set up in accordance with articles L.214-43 to L.214-49 of the Monetary and Financial Code (Code monetaire et financier) and to which a receivable held by the Depositor over the Purchaser in connection with the repayment of the Senior Deposit has been assigned. Each Issuer funds the subscription of units, by issuing commercial paper (the "NOTES").
4. The Amendment Parties have agreed to enter into this amendment (the "FIRST AMENDMENT") in order to (i) amend the provisions of the General Master Purchase Agreement and (ii) to acknowledge and accept the amendments to the Master Subordinated Deposit Agreement and the Receivables Purchase Agreements in accordance with and subject to the terms and conditions provided for under this First Amendment and subject to the provisions of article 35 of the General Master Purchase Agreement.

IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE 1. DEFINITIONS

Except as otherwise defined herein, capitalised terms and expressions used in the First Amendment (including their recitals) shall have the same meaning as ascribed to them in the General Master Purchase Agreement appended to this First Amendment, as amended and restated by this First Amendment. The Schedules hereto shall form an integral part of this First Amendment.

ARTICLE 2. INTERPRETATION

In this First Amendment, unless the context calls for another interpretation:

- (a) references to "ARTICLES" and "SCHEDULES" shall be construed as references to the articles and schedules of this First Amendment and references to this First Amendment include its recitals and schedules;
- (b) headings are for convenience of reference only and shall not affect the interpretation of this First Amendment;
- (c) words in the plural shall cover the singular and vice versa;
- (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (e) words appearing in this First Amendment in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (f) a reference to any person shall include its permitted assignees, transferees and successors or any person deriving title under or through it;
- (g) a reference to a document shall be construed as a reference to such document as may be amended, supplemented or replaced by novation;
- (h) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

ARTICLE 3. PURPOSE

3.1 The General Master Purchase Agreement shall be amended and restated to conform to the agreement set forth in Schedule 3.

3.2 This First Amendment is being executed simultaneously with certain amendments to other Securitisation Documents, including the Master Subordinated Deposit Agreement and the Receivables Purchase Agreements.

3.3 The purpose of this First Amendment and the other Securitisation Documents includes :

- the amendment of the form of Transfer Deed attached to each Receivables Purchase Agreement;
- changes to the financial conditions of the Securitisation Transaction;
- the integration of Quasar as an Issuer in the Securitisation Transaction and any changes related thereto;

- the integration of a New German Seller to the General Master Purchase Agreement and any changes related thereto;
- the amendment of the calendar table appended to Schedule 11 of the General Master Purchase Agreement;
- the amendment of financial covenants as set out in article 13.3 (xv) of the General Master Purchase Agreement (Early Amortisation Event) as a result of the European Credit Facility executed 8 April, 2005;
- changes to the definition of Foreseen Collections;
- the inclusion of the Discount Reserve in the floor of the Overcollateralisation Rate;
- the amendment of the Maximum Amount of the Senior Deposit.

3.4 Therefore, as from the date of this First Amendment, the terms and conditions of the General Master Purchase Agreement, as such terms and conditions are set out in Schedule 3 to this First Amendment, shall apply to the Amendment Parties.

3.5 Each Seller hereby acknowledges and accepts the amendments to the General Master Purchase Agreement, the Receivables Purchase Agreements and the Master Subordinated Deposit Agreement. In particular, each Amendment Party acknowledges and accepts the changes made to the Overcollateralisation Rate determined in accordance with the provisions of Schedule 1 of the Master Subordinated Deposit Agreement as amended on 23 May, 2005.

ARTICLE 4. TERM

This First Amendment shall commence on the date hereof provided that all conditions precedent set out in Schedule 2 hereto have been fulfilled.

ARTICLE 5. CONDITIONS PRECEDENT TO THE EXECUTION OF THIS FIRST AMENDMENT

Prior to the execution of this First Amendment:

- (a) the Rating Agencies have:
 - (i) been informed of the contemplated amendment;
 - (ii) confirmed that the amendments contemplated therein will not entail a downgrading or withdrawal of the current ratings of the Notes issued by the Issuer in accordance with the provisions of article 35 of the General Master Purchase Agreement; and
- (b) each Issuer and each Liquidity Bank has given its prior written consent to such First Amendment.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES

Each Seller, Goodyear Dunlop Tires Germany GmbH and the Centralising Unit represents and warrants to the Purchaser, on the date hereof, that:

- (a) - in the case of the French Seller, it is a limited company (societe anonyme) duly incorporated and validly existing under French law, or
 - in the case of the German Parties, it is either a limited partnership (Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft) or a limited liability company (Gesellschaft mit beschränkter Haftung), duly established and validly existing under German law, or
 - in the case of the Italian Seller, it is a joint stock company (societa per azioni) duly incorporated and validly existing under Italian law, or
 - in the case of the Spanish Seller, it is a corporation (sociedad anonima) duly incorporated and validly existing under Spanish law, or
 - in the case of the Centralising Unit, it is a limited liability company duly incorporated and validly existing under Dutch law;
- (b) it has the capacity (i) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where failure of such capacity would not be reasonably likely to result in a Material Adverse Effect, and (ii) to enter into and perform its obligations under the First Amendment;
- (c) the execution of this First Amendment does not require any corporate or other authorisation that it has not already obtained and provided to the Purchaser, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (d) except to the extent that no Material Adverse Effect would be reasonably likely to result, the execution of the First Amendment and the performance of its obligations under the First Amendment will not contravene (i) any of the provisions of its articles of association or of any other of its constitutional documents, (ii) any laws or regulations applicable to it, or (iii) any contractual obligations, negative pledges, agreements or undertakings to which it is a party or by which it is bound;
- (e) the First Amendment constitutes its legal, valid and binding obligations and is enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

ARTICLE 7. NO NOVATION

7.1 The First Amendment does not create any novation of the General Master Purchase Agreement. The Amendment Parties agree that the provisions of the General Master Purchase

Agreement, as amended and restated by this First Amendment, shall remain in full force and effect.

7.2 The Amendment Parties accept that any reference to the General Master Purchase Agreement in another contract entered by one Amendment Party is interpreted as a reference to the General Master Purchase Agreement as modified by the First Amendment.

ARTICLE 8. SIGNATURES AND REGISTRATION

8.1 In order to simplify the signatures formalities of the First Amendment, the Amendment Parties agree to execute each original copy without initialling each page.

8.2 The Amendment Parties hereby agree not to register this First Amendment with the French tax administration, although if one Amendment Party elects to do so, it shall carry out such a registration at its own expense.

ARTICLE 9. GOVERNING LAW - JURISDICTION

9.1 This First Amendment shall be governed by, and construed in accordance with, French law.

9.2 Any dispute as to the validity, interpretation, performance or any other matter arising out of this First Amendment shall be subject to the jurisdiction of the competent courts of Paris. The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Made in Paris,

on 23 May 2005, in seven (7) originals.

GOODYEAR DUNLOP TIRES FRANCE S.A.

represented by /s/ Pierre Alain Nilsson

duly authorised for the purpose of executing this First Amendment

FULDA REIFEN GMBH & CO. KG

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

M-PLUS MULTIMARKENMANAGEMENT GMBH & CO. KG

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

GOODYEAR GMBH & CO. KG

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

DUNLOP GMBH & CO. KG

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

GOODYEAR DUNLOP TIRES OE GMBH

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

GOODYEAR DUNLOP TIRES ITALIA SPA

represented by /s/ Pierre Alain Nilsson

duly authorised for the purpose of executing this First Amendment

GOODYEAR DUNLOP TIRES ESPANA S.A.

represented by /s/ Pierre Alain Nilsson

duly authorised for the purpose of executing this First Amendment

GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.

represented by /s/ Ronn Archer

duly authorised for the purpose of executing this First Amendment

GOODYEAR DUNLOP TIRES GERMANY GMBH

represented by /s/ Klaus Romanus

duly authorised for the purpose of executing this First Amendment

EUROFACTOR

represented by /s/ Olga M. Carvallis

duly authorised for the purpose of executing this First Amendment

ESTER FINANCE TITRISATION

RICHARD SINCLAIR
Directeur General du Directoire
d'ESTER FINANCE TITRISATION

represented by /s/ Richard Sinclair

duly authorised for the purpose of executing this First Amendment

CALYON

represented by /s/ Francois Cavale and by /s/ Richard Sinclair duly authorised
for the purpose of executing this First Amendment

NBP

represented by /s/ Hug-Hoang Dang and by /s/ R. Graire duly authorised for the
purpose of executing this First Amendment

SCHEDULE 1. LIST OF SELLER

<TABLE>
<CAPTION>

SELLER	REGISTER NUMBER	COUNTRY OF THE SELLER
<S>	<C>	<C>
GOODYEAR DUNLOP TIRES FRANCE S.A.	RCS NANTERRE 330 139 403	FRANCE
FULDA REIFEN GMBH & CO. KG	HRA 1525 (FULDA)	GERMANY
M-PLUS MULTIMARKENMANAGEMENT GMBH & CO. KG	HRA 5601 (HANAU)	GERMANY
GOODYEAR GMBH & CO. KG	HRA 1508 (FULDA)	GERMANY
DUNLOP GMBH & CO. KG	HRA 5595 (HANAU)	GERMANY
GOODYEAR DUNLOP TIRES OE GmbH	HRB 1907 (FULDA)	GERMANY
GOODYEAR DUNLOP TIRES ITALIA SpA	063232010015 (ROME)	ITALY
GOODYEAR DUNLOP TIRES ESPANA SA	M-110718 (MADRID)	SPAIN

</TABLE>

SCHEDULE 2. CONDITIONS PRECEDENT TO THE ENTRY INTO FORCE OF THE AMENDMENT

This First Amendment shall not take effect unless and until the Purchaser, the Issuers and the Liquidity Banks have received, on the date hereof:

1. PARTIES TO THE SECURITISATION DOCUMENTS IN DECEMBER 2004

These parties are Calyon, Natexis Banques Populaires, Ester Finance Titrisation, Eurofactor the initial Sellers, the Centralising Unit, Goodyear Dunlop Tires Europe B.V and Goodyear Dunlop Tires Germany GmbH:

Each of the initial Sellers, the Centralising Unit, Goodyear Dunlop Tires Europe B.V and Goodyear Dunlop Tires Germany GmbH, as applicable, shall provide:

- (i) articles and memorandum of association certified true, complete and up-to-date on the date of execution of this First Amendment;
- (ii) extract from:
 - in the case of any French entity, from the Trade and Companies Registry (Registre du Commerce et des Societes);
 - in the case of any German entity, from the Commercial Register of the local court (Amtsgericht) pertaining to it;
 - in the case of any Italian entity, from the Companies Registry (Registro delle imprese) of the relevant Chamber of Commerce (Camera di Commercio);
 - in the case of any Spanish entity, from the Commercial Registry (Registro Mercantil) of the province where the corporate domicile of the Spanish entity is located;

pertaining to it dating less than 30 days before the execution of the amendment to the Securitisation Documents;
- (iii) necessary corporate authorisations to execute and perform any amendment to the Securitisation Documents to which each of them are a party;
- (iv) powers to execute and perform the amendment to the Securitisation Documents to which each of them are a party;
- (v) with respect to each initial Seller, the Centralising Unit, Goodyear Dunlop Europe B.V. and Goodyear Dunlop Tires Germany GmbH, (a) a legal opinion from external counsel as to its capacity to enter into the amendment to the Securitisation Documents to which it is a party and to perform its obligations thereunder and (b) an in-house legal opinion or, as the case may be, an in-house officer's certificate;
- (vi) in the case of Goodyear Dunlop Europe B.V., a new Comfort Letter in the form of Schedule 10 to the Amended and Restated General Master Purchase Agreement; and

(vii) in the case of Goodyear Dunlop Europe B.V., a Performance Letter in the form of Schedule 10 to the Amended and Restated General Master Purchase Agreement.

2. GOODYEAR DUNLOP TIRES OE GmbH (THE "NEW GERMAN SELLER")

The Amendment to the General Master Purchase Agreement shall not enter into force unless and until:

- (i) the following documents from the New German Seller, and the Issuers, Liquidity Banks and the Purchaser have determined that the same are satisfactory in form and substance:
 - (a) a copy of the current articles of association documents of the New German Seller certified to be true, complete and up-to-date by a duly authorised representative of the New German Seller;
 - (b) an extract from the Commercial Register of the local court (Amtsgericht) pertaining to it dating from less than thirty (30) days prior to the date of execution of the amendment of the Transaction Documents, certified up-to-date by a duly authorised representative of the New German Seller;
 - (c) a copy, certified true by a duly authorised representative of the New German Seller of its annual accounts for its latest financial year (balance sheet, profit and loss accounts and annexes);
 - (d) a certificate issued by a duly authorised representative of the New German Seller to the effect that, between the closing date of the accounts specified in paragraph (c) above and the date of execution of the amendment to the Transaction Documents, no event has occurred to its knowledge which is reasonably likely to adversely and materially affect its business, assets, economic or financial situation, or which is reasonably likely to adversely affect its ability to perform its obligations under the Transaction Documents to which it is a party;
 - (e) a certificate issued by a duly authorised representative of the New German Seller to the effect that no claim has been raised or, to its knowledge, is threatened to be raised against the New German Seller, which would be reasonably likely to prevent or prohibit the execution or performance of the Transaction Documents to which it is a party;
 - (f) a list of the names of those persons who would be authorised to execute and to act for the performance of its obligations under the Transaction Documents to which it is a party (with specimen signatures);
 - (g) (x) any powers of attorney for the authorised signatories of the Transaction Documents to which it is a party and (y) all corporate authorisations that might

be required in respect of the execution and performance of the Transaction Documents to which it is a party;

- (h) a New German Seller's Solvency Certificate drawn up on the date of execution of the amendment to the Transaction Documents in the form of Schedule 5 of the General Master Purchase Agreement;
 - (i) a legal opinion from the New German Seller's legal counsel; this legal opinion will state, inter alia, that the New German Seller has the capacity to enter into the Transaction Documents to which it shall be a party;
 - (j) an in-house legal opinion of the internal counsel of the New German Seller.
- (ii) an original copy of a letter executed by the New German Seller and the other signatories thereto in relation to the limitation of recourse of creditors of Ester Finance Titrisation regarding the Goodyear European Securitisation Transaction in form and substance satisfactory to Ester Finance Titrisation.

SCHEDULE 3. AMENDED AND RESTATED GENERAL MASTER
PURCHASE AGREEMENT

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GOODYEAR

AMENDED AND RESTATED GENERAL MASTER
PURCHASE AGREEMENT
IN RELATION TO THE SECURITISATION OF TRADE RECEIVABLES OF CERTAIN EUROPEAN
SUBSIDIARIES OF THE GOODYEAR GROUP

Dated 10 December 2004

AS AMENDED AND RESTATED ON 23 MAY 2005

BETWEEN

ESTER FINANCE TITRISATION
as Purchaser

EUROFACTOR
as Agent

CALYON
as Joint Lead Arranger and as Calculation Agent

NATEXIS BANQUES POPULAIRES
as Joint Lead Arranger

GOODYEAR DUNLOP TIRES FINANCE
EUROPE B.V.
as Centralising Unit

THE SELLERS
listed in Schedule 9

AND

GOODYEAR DUNLOP TIRES GERMANY GMBH

[GIDE LOYRETTE NOUEL LOGO]

26, COURS ALBERT 1(er) 75008 PARIS TEL. +33 (0)1 40 75 60 00
FAX +33 (0)1 43 59 37 79 E-MAIL INFO@GIDE.COM WWW.GIDE.COM

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BETWEEN

1. ESTER FINANCE TITRISATION, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 19 Boulevard des Italiens, 75 002 Paris, France, registered with the Trade and Companies Registry of Paris under the number 414 886 226, whose representative is duly authorised for the purpose of this Agreement (the "PURCHASER");

2. EUROFACTOR, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at Tour d'Asnieres, 4, avenue Laurent Cely, 92608 Asnieres, France, registered with the Trade and Companies Registry of Nanterre under the number 642 041 560, whose representative is duly authorised for the purpose of this Agreement (the "AGENT");

3. CALYON, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 9 quai du President Paul Doumer, 92920 Paris La Defense Cedex, France, registered with the Trade and Companies Registry of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this Agreement ("CALYON", "JOINT LEAD ARRANGER" or the "CALCULATION AGENT");

4. NATEXIS BANQUES POPULAIRES, a limited company (societe anonyme) incorporated under French law and duly authorised as a credit institution (etablissement de credit), having its registered office at 45, rue Saint Dominique 75007 Paris, France and registered with the Trade and Companies Registry of Paris (Registre du Commerce, et des Societes de Paris) under the number 542 044 524, whose representatives are duly authorised for the purpose of this Agreement ("NBP" or "JOINT LEAD ARRANGER");

5. GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V., a company incorporated under Dutch law, having its registered office at Deboelelaan 7, 1083 HJ, Amsterdam, The Netherlands, registered with the Companies Registry of Amsterdam under the number 34197964, whose representative is duly authorised for the purpose of this Agreement (the "CENTRALISING UNIT");

6. THE COMPANIES listed in Schedule 9 (each of them as a "SELLER" and collectively the "SELLERS");

7. GOODYEAR DUNLOP TIRES GERMANY GMBH, a company incorporated under the laws of the Federal Republic of Germany, having its registered office at Dunlopstrasse 2, 63450 Hanau, Germany, registered with the commercial register of the local court in Hanau under number HRB 7163 ("GOODYEAR DUNLOP TIRES GERMANY GMBH").

WHEREAS:

1. GOODYEAR DUNLOP TIRES France S.A., (the "FRENCH SELLER"), FULDA REIFEN GmbH & Co KG, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co KG, GOODYEAR GmbH & Co KG, DUNLOP GmbH & Co KG, GOODYEAR DUNLOP TIRES OE GmbH (the "GERMAN SELLERS"), GOODYEAR DUNLOP TIRES Italia SPA (the "ITALIAN SELLER") and GOODYEAR DUNLOP TIRES Espana SA (the "SPANISH SELLER") are in the business of manufacturing and/or supplying tyres and activities relating thereto, and hold receivables over certain customers.

2. In order to provide financing to the Sellers, CALYON has proposed to set up a securitisation transaction by way of the sale, on an ongoing basis, of trade receivables resulting from the ordinary business of the Sellers in France, Germany, Italy and Spain (the "SECURITISATION TRANSACTION").

3. Pursuant to the Securitisation Transaction, such trade receivables will be purchased by the Purchaser from the Sellers twice a month and in accordance with the receivables purchase agreements governed by the relevant law of the jurisdiction where the relevant Seller is located (the "RECEIVABLES PURCHASE AGREEMENTS").

4. The Purchaser has agreed to acquire certain trade receivables (the "PURCHASABLE RECEIVABLES") held by the Sellers subject to the terms and conditions contained in this Agreement and in the Receivables Purchase Agreements.

5. The Purchaser shall fund the acquisition of Purchasable Receivables:

- (i) partly out of a senior deposit (the "SENIOR DEPOSIT") effected by the Depositor with the Purchaser in accordance with a master senior deposit agreement (the "MASTER SENIOR DEPOSIT AGREEMENT"); and
- (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a subordinated deposit (the "SUBORDINATED DEPOSIT") to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master subordinated deposit agreement (the "MASTER SUBORDINATED DEPOSIT AGREEMENT") and (b) a complementary deposit (the "COMPLEMENTARY DEPOSIT") to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master complementary deposit agreement (the "MASTER COMPLEMENTARY DEPOSIT AGREEMENT").

6. The receivable held by the Depositor over the Purchaser in connection with the repayment of the Senior Deposit shall be assigned to a French funds commun de creances (the "FUND") set up in accordance with Article L.214-5 and Articles L.214-43 to L.214-49 of the Monetary and Financial Code (Code monetaire et financier) which shall issue related units to be subscribed by LMA S.A., Elixir Funding Limited, Quasar and any other Issuer which participates in the Securitisation Transaction. Each Issuer shall fund the subscription of units, by issuing commercial paper (the "NOTES").

7. The Centralising Unit shall be appointed by the Sellers to act as their agent (mandataire) for the purposes of carrying out certain activities, in accordance with the provisions of this general master purchase agreement (the "GENERAL MASTER PURCHASE AGREEMENT" or the "AGREEMENT").

8. For the purposes of the General Master Purchase Agreement and the relevant Receivables Purchase Agreement, the Purchaser shall appoint the Sellers for the recovery of collections in accordance with a Collection Mandate (the "COLLECTION MANDATE").

9. Due to the number of Sellers and the different Receivables Purchase Agreements under which Purchasable Receivables will be purchased by the Purchaser from the Sellers, the parties have agreed to enter into this General Master Purchase Agreement to set out a Master Definitions Schedule, common terms, representations and warranties, general covenants and all other provisions provided for by this General Master Purchase Agreement that will apply in respect of the Receivables Purchase Agreements.

NOW IT IS HEREBY AGREED AS FOLLOWS:

CHAPTER I - INTERPRETATION

ARTICLE 1. DEFINITIONS

Capitalised terms and expressions used in this Agreement shall have the same meaning as ascribed to such terms and expressions in the Master Definitions Schedule set out in Schedule 1 hereto. The schedules hereto shall form an integral part of this Agreement.

ARTICLE 2. INTERPRETATION

(i) The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference only, and shall not be used to interpret this Agreement.

(ii) In this Agreement, except if the context calls for another interpretation:

- (a) references to "CHAPTERS", "ARTICLES" and "SCHEDULES" shall be construed as references to the chapters, articles and schedules of this Agreement and references to this Agreement include its recitals and schedules;
- (b) headings are for convenience of reference only and shall not affect the interpretation of this First Amendment;
- (c) words in the plural shall cover the singular and vice versa;

- (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (e) words appearing in this Agreement in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (f) references to a person shall include its permitted assignees, transferees and successors or any person deriving title under or through it;
- (g) references to a document shall mean such document, as amended, replaced by novation or varied from time to time;
- (h) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

CHAPTER II - PURPOSE - TERM - CONDITIONS
PRECEDENT

ARTICLE 3. PURPOSE OF THIS AGREEMENT

3.1 Pursuant to the terms and conditions of this Agreement, the relevant Receivables Purchase Agreements and, where applicable, the relevant Transfer Deeds, the Sellers shall sell Purchasable Receivables to the Purchaser and the Purchaser shall purchase Purchasable Receivables from the Sellers on each Settlement Date during the Replenishment Period.

3.2 The parties agree that the Purchaser shall fund the acquisition of Purchasable Receivables as follows:

- (i) partly out of a Senior Deposit effected by the Depositor with the Purchaser in accordance with the Master Senior Deposit Agreement, for an amount which shall not exceed the Maximum Amount of the Program, as determined in accordance with Article 7 (Amount of the Purchaser's Funding);
- (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a Subordinated Deposit to be effected by the Centralising Unit with the Purchaser in accordance with the provisions of the Master Subordinated Deposit Agreement and (b) a Complementary Deposit to be effected by the Centralising Unit with the Purchaser in accordance with the provisions of the Master Complementary Deposit Agreement, for an amount which shall not exceed the Maximum Amount of the Complementary Deposit.

3.3 The parties hereby acknowledge that the Centralising Unit is acting for the purposes of this Agreement, in its own name and behalf, but also in the name and on behalf of the Sellers,

pursuant to the terms of a mandate (mandat) expressly granted by each of the Sellers to the Centralising Unit and which the Centralising Unit hereby accepts. By virtue of this mandate, the Sellers appoint the Centralising Unit to act in their name and on their behalf and to perform the following obligations in accordance with the provisions of the Transaction Documents: (i) receive all Payments due by the Purchaser to the Sellers in respect of the Sold Receivables, (ii) make any payment due by the Sellers to the Purchaser and the Agent pursuant to the Transaction Documents, such payments covering inter alia the amount due in respect of Actual Collections or Adjusted Collections, (iii) enter into the Current Account relationship set forth in Article 6, (iv) negotiate with the Purchaser, in particular upon the occurrence of any of the events set out in Articles 13, 14 and 15, (v) deliver to the Purchaser on the Initial Settlement Date and on each Settlement Date during the Replenishment Period, the Transfer Deeds received from the Sellers or executed by the Centralising Unit and, on each Information Date, the List of Purchasable Receivables, (vi) receive or give any notices, mails, or documents provided pursuant to the Transaction Documents, (vii) exercise any rights arising in respect of the Transaction Documents (with the exception of the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement, in respect of which the Centralising Unit acts in its own name and on its own behalf), (viii) deliver to the Purchaser the Assessment Reports substantially in the form set out in Schedule 3 to this Agreement and (ix) to carry out any powers it has as agent of the Seller as set out in Article 35 and 40, including the negotiation and execution of any amendments provided for under Article 35 and 40.

The Sellers and the Centralising Unit have entered into the Intercompany Arrangements, which provide, among other things, for the allocation of all sums due and/or received in connection with the Transaction Documents to which each Seller and the Centralising Unit is a party. Such Intercompany Arrangements shall provide inter alia that each Seller has an effective recourse against the defaulting Seller, the other Sellers and GOODYEAR DUNLOP TIRES EUROPE BV for any payment that any Seller or the Centralising Unit may be required to make under the joint and several liability provisions provided for under Article 3.6. The Sellers and the Centralising Unit hereby irrevocably and unconditionally undertake to refrain from exercising any rights of recourse against the Purchaser, the Agent and/or CALYON in connection with such allocation.

3.4. The parties agree that the Purchaser shall appoint the Sellers to act as collection agents for the servicing of the Sold Receivables, in accordance with the provisions of Article 21.

3.5 This Agreement shall apply automatically to any Transfer Deed delivered by the Centralising Unit, acting in the name and on behalf of a Seller to the Purchaser or any other similar document agreed between a Seller and the Purchaser, pursuant to the relevant Receivables Purchase Agreement.

3.6 Joint and several liability

3.6.1. The parties agree that the obligations of each Seller under this Agreement shall be several but not joint, and shall be construed as if each Seller had entered into a separate agreement with the Purchaser.

3.6.2. By way of exception to the foregoing, each Seller, Goodyear Dunlop Tires Germany GmbH and the Centralising Unit shall be jointly and severally liable to the Purchaser for the

payment by a Seller, GOODYEAR DUNLOP TIRES EUROPE BV and/or the Centralising Unit of (i) any sums due under the Transaction Documents and notably (without limitation) for the transfer of Adjusted Collections on the due date to the Purchaser, in accordance with the provisions of Article 23, and (ii) any claim for damages against a Seller for breach of its representations and warranties or for failure to perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

Each Seller hereby acknowledges and accepts that the benefit of any joint and several liability between Sellers party to the Securitisation Documents shall be extended to any New Seller, without any need for additional written consent under this Agreement (other than by the Centralising Unit as contemplated by Sections 35 and 40).

3.6.3. Notwithstanding any other provision of this Agreement, the parties hereto agree that any claim enforceable under Article 3.6.2 above against any of the German Sellers or Goodyear Dunlop Tires Germany GmbH (each a "GERMAN PARTY", together the "GERMAN PARTIES") shall on any date on which payment is requested pursuant to Article 3.6.2 be limited to the amounts calculated as follows (the "FREE EQUITY AMOUNT"):

- (a) in the case of a German Party that is organised as a GmbH (a "GMBH PARTY"), the amount of its Net Assets less its Registered Share Capital as of such date;
- (b) in the case of a German Party that is organised as a GmbH & Co.KG (a "GMBH & CO. KG PARTY"), the amount of its respective Net Assets as of such date, provided that such amount shall be reduced to the extent payment thereof would result in the Net Assets of its general partner (the "GENERAL PARTNER") falling short of the Registered Share Capital of such General Partner as of such date.

For the purpose of this Article 3.6, "NET ASSETS" means, in respect of any entity as of any date, the result of (a) the sum of the amounts shown under the balance sheet positions pursuant to Section 266 (2) (A), (B) and (C) of the German Commercial Code (Handelsgesetzbuch), with the exception of any loan repayment claims against any of such entity's affiliates (other than such entity's subsidiaries) (or other, economically equivalent claims, including recourse claims against a defaulting Seller under the Intercompany Arrangements), less (b) the sum of the amounts of liabilities shown under the balance sheet positions pursuant to Section 266 (3) (B), (C) and (D) of the German Commercial Code, in each case as determined as of such date; and "REGISTERED SHARE CAPITAL" means, in respect of any entity as of any date, the amount shown under the balance sheet position pursuant to Section 266 (3) (A) I of the German Commercial Code as determined as of such date.

The calculation of the Free Equity Amount shall be made as of the date of any payment request pursuant to Article 3.6.2 above.

3.6.4 If, upon a payment request to any German Party under Article 3.6.2 above, such German Party is of the reasonable opinion that the amount requested exceeds the Free Equity Amount at the time of such request, such German Party shall provide evidence to the Purchaser that the payment in full of the amount requested would result:

- (a) in the case of a GmbH Party, in the amount of its Net Assets falling below the amount of its Registered Share Capital;
- (b) in the case of a GmbH & Co.KG Party, in the amount of the Net Assets of its General Partner falling below such General Partner's Registered Share Capital,

including, without limitation, plausible calculations made by such German Party and all supporting documents reasonably requested by the Purchaser, and a written statement from the statutory auditors of such German Party (in case of Article 3.6.3 (a)) and or of the relevant General Partner (in the case of Article 3.6.3 (b)) to the Purchaser to the effect that the amount of the payment requested exceeds the Free Equity Amount of such German Party (in case of Article 3.6.3 (a)) and/or of the General Partner (in the case of Article 3.6.3 (b)).

3.6.5 For the purposes of calculating the Free Equity Amount, loans and other contractual liabilities incurred in negligent or wilful violation of the provisions of this Agreement shall be disregarded.

In the event that a payment is requested under Article 3.6.2 above, the relevant German Party and/or its General Partner (in the case of Article 3.6.3 (b)) shall realise, to the extent (i) the Free Equity Amount falls short of the amount so requested, (ii) required to enable the relevant German Party to make the requested payment, and (iii) legally permitted, assets that are shown in the balance sheet with a book value (Buchwert) that is significantly lower than the market value of the assets at the time of such request if such assets are not necessary for the business of such German Party and/or its General Partner (in the case of Article 3.6.3 (b)) (betriebsnotwendig).

3.6.6 None of the above restrictions on enforcement shall apply if and to the extent such enforcement relates to any obligations of the German Parties other than under Article 3.6.2.

3.6.7. The parties expressly agree that the Sellers and the Centralising Unit shall not have any responsibility for any non payment by any Debtor of any sums due in respect of the Sold Receivables, except to the extent that the Purchaser may exercise recourse for such non payment against the Subordinated Deposit and, as the case may be, the Complementary Deposit, as provided herein and, for the avoidance of any doubt, to the extent of any Deemed Collections in accordance with the provisions of Article 28.

ARTICLE 4. TERM OF THIS AGREEMENT

4.1 This Agreement shall commence on the Closing Date and end on the Program Expiry Date. For the purposes of this Agreement and the Receivables Purchase Agreements, the parties agree that there shall be two periods:

- (i) the Replenishment Period, which commences on the Closing Date and ends on the Commitment Expiry Date (excluded); and
- (ii) the Amortisation Period, which commences on the Commitment Expiry Date and ends on the Program Expiry Date.

4.2 The parties expressly agree that, in the event that there are any Sold Receivables outstanding on the Program Expiry Date:

(a) until such time as (i) any sums due under the Master Senior Deposit Agreement have been paid, or (ii) the Centralising Unit, acting in the name and on behalf of the Sellers, has repurchased all such Sold Receivables from the Purchaser:

- (i) the Centralising Unit shall make a payment to the Purchaser for an amount equal to any collections actually received by the Sellers arising in relation to those Sold Receivables which are outstanding; and
- (ii) the Conformity Warranties set out in Article 19 (Conformity Warranties for Purchasable Receivables) and the relevant Seller's covenants in relation to the Sold Receivables as set out in Articles 12 (General Covenants), 16 (Order of Priority during the Amortisation Period), 21 (Collection of Sold Receivables), 23 (Application of Payments and Payments of collections), 24 (Renegotiation), and 25 (Representation Mandate) shall remain in force;

(b) thereafter, up to an amount equal to any portion of the Complementary Deposit and/or the Subordinated Deposit that was not reimbursed on the Program Expiry Date plus any Deferred Purchase Price that remained outstanding on such date, any Adjusted Collections shall be refunded to the Centralising Unit.

In any event, the parties expressly agree that, even after the Program Expiry Date, the provisions set out in Articles 14 (Taxes), 15 (Changes in Circumstances), 29 (Fees and expenses), 31 (Confidentiality), 33 (Exercise of Rights - Recourse- Non Petition), 36 (Indemnities), 40 (Governing law - Jurisdiction) shall remain in force.

4.3. The Centralising Unit, acting in the name and on behalf of the Sellers, may, upon written notice given to the Purchaser at least nine (9) Business Days before a Funded Settlement Date during the Amortisation Period or at any time after the Program Expiry Date, offer to repurchase all outstanding Sold Receivables from the Purchaser, at a price equal to the nominal value of such Sold Receivables or such other price as the parties may agree. Such purchase price shall be applied towards the payments and in the order specified in Article 16 and, to the extent applicable, shall be set off against any amounts due to the Centralising Unit in accordance with said Article 16.

ARTICLE 5. CONDITIONS PRECEDENT TO THE COMMENCEMENT OF THIS AGREEMENT

This Agreement shall not take effect unless and until the Purchaser has received, on the Closing Date, all the documents referred to in Schedule 2, and has determined that the same are satisfactory as to form and substance.

CHAPTER III - CURRENT ACCOUNT - DEPOSITS

ARTICLE 6. CURRENT ACCOUNT

6.1 Current Account agreement

6.1.1 The Purchaser and the Centralising Unit hereby agree to enter into a current account relationship (relation de compte courant) (the "CURRENT ACCOUNT").

6.1.2 Any sum due either by (i) the Purchaser to the Centralising Unit, acting in its own name or in the name of the Sellers pursuant to the Transaction Documents and/or by (ii) the Sellers or the Centralising Unit, acting in its own name or in the name of the Sellers, to the Purchaser pursuant to the Transaction Documents shall be recorded respectively as credit or debit on the Current Account. Any mutual debit or credit that does not arise from the Transaction Documents shall be excluded from the Current Account.

6.2 Automatic Set-off

The parties hereby agree that any debit and credit recorded on the Current Account shall be automatically set-off (compenses).

6.3 Balance

6.3.1 On each Calculation Date, the Agent shall calculate the balance of the Current Account, in accordance with the provisions of Article 12.3.1., on the basis of information it has received pursuant to such Article 12.3.1., and shall forthwith provide the Centralising Unit and the Purchaser with such calculation.

6.3.2 In the case of a debit balance of the Current Account on a Calculation Date, as stated in the Current Account statement communicated in accordance with the provisions of Article 6.3.1., the Centralising Unit shall pay to the Purchaser's Account in immediately available funds an amount equal to such debit balance, on the Funded Settlement Date or on the Intermediary Settlement Date in relation to which the Current Account statement is drawn up, in accordance with the provisions of Article 17.5.

6.3.3 In the case of a credit balance of the Current Account on a Calculation Date, as stated in the Current Account statement communicated in accordance with the provisions of Article 6.3.1., the Purchaser shall pay to the Centralising Unit's Account in immediately available funds an amount equal to such credit balance on the Funded Settlement Date or on the Intermediary Settlement Date in relation to which the Current Account statement has been drawn up, in accordance with the provisions of Article 17.5.

6.3.4. Once the payment referred to in Article 6.3.2. or in Article 6.3.3. has been made, the Current Account shall be balanced at zero (0).

6.4 Entry on Current Account

6.4.1 On the Initial Settlement Date, the Purchaser shall record:

- (i) on the debit of the Current Account, an amount equal to the Subordinated Deposit calculated as of the Initial Settlement Date in accordance with Article 8 (Subordinated Deposit);
- (ii) on the debit of the Current Account, an amount equal to the Complementary Deposit calculated as of the Initial Settlement Date in accordance with Article 9 (Complementary Deposit);
- (iii) on the debit of the Current Account, the amount of the Adjusted Collections calculated in respect of such Initial Settlement Date; and
- (iv) on the credit of the Current Account an amount equal to the Initial Purchase Price of the Purchasable Receivables sold on the Initial Settlement Date within the limits provided for by Article 12.3.1.

6.4.2 On each Intermediary Settlement Date during the Replenishment Period, the Purchaser shall enter:

- (i) on the debit of the Current Account,
 - (a) an amount equal to any Increase in the Subordinated Deposit on such date,
 - (b) an amount equal to any Increase in the Complementary Deposit on such date,
 - (c) the amount of the Adjusted Collections calculated in respect of such date,
 - (d) the amount of any payment due with respect to the repurchase of Doubtful Receivables on such date, and
 - (e) any other sums due by the Centralising Unit acting on its own behalf or on behalf of the Sellers, to the Purchaser pursuant to the Transaction Documents, and not paid otherwise.

- (ii) on the credit of the Current Account,
 - (a) an amount equal to the Initial Purchase Price of the Purchasable Receivables purchased on such date within the limits set out in Article 12.3.1,
 - (b) an amount equal to any Reduction of the Subordinated Deposit on such date,
 - (c) an amount equal to any Reduction of the Complementary Deposit on such date, and
 - (d) any other sums due by the Purchaser to the Centralising Unit acting on its own behalf or on behalf of the Sellers pursuant to the Transaction Documents, and not paid otherwise.

6.4.3 On each Funded Settlement Date during the Replenishment Period, the Purchaser shall enter:

- (i) on the debit of the Current Account,
 - (a) an amount equal to any Increase in the Subordinated Deposit on such date,
 - (b) an amount equal to any Increase in the Complementary Deposit on such date,
 - (c) the amount of the Adjusted Collections calculated in respect of such date,
 - (d) the amount of any payment due with respect to the repurchase of Doubtful Receivables on such date, and
 - (e) any other sums due by the Centralising Unit acting on its own behalf or on behalf of the Sellers, to the Purchaser pursuant to the Transaction Documents, and not paid otherwise.
- (ii) on the credit of the Current Account,
 - (a) an amount equal to the Initial Purchase Price of the Sold Receivables purchased on such date within the limits set out in Article 12.3.1,
 - (b) an amount equal to any Deferred Purchase Price payable on such date,
 - (c) an amount equal to any Reduction of the Subordinated Deposit on such date;
 - (d) an amount equal to any Reduction of the Complementary Deposit on such date, and
 - (e) any other sums due by the Purchaser to the Centralising Unit acting on its own behalf or on behalf of the Sellers pursuant to the Transaction Documents, and not paid otherwise.

The parties hereby agree that all entries on the Current Account are calculated, for any Settlement Date during the Replenishment Period, on the Calculation Date preceding such Settlement Date, and that, once entered in the Current Account, such entries shall constitute payments for the purposes of the Transaction Documents.

6.5. Termination of the Current Account

The current account relationship shall terminate, and the Current Account shall be closed, on the Commitment Expiry Date.

ARTICLE 7. AMOUNT OF THE PURCHASER'S FUNDING

7.1 Maximum Amount of the Purchaser's Funding

7.1.1. The Purchaser shall fund Payments (the "PURCHASER'S FUNDING") out of a Senior Deposit, up to a maximum amount (the "MAXIMUM AMOUNT OF THE PURCHASER'S FUNDING") equal to the Maximum Amount of the Program.

The Senior Deposit shall create an indebtedness of the Purchaser to the Depositor in relation to the repayment of such Senior Deposit.

7.1.2. At any time before the Commitment Expiry Date, the Centralising Unit, acting in the name and on behalf of the Sellers, shall have the right to request a partial reduction of the Maximum Amount of the Program, subject to thirty (30) Business Days prior written notice (or such shorter notice as may be agreed by the parties) to the Purchaser and as from the date of receipt of such notice by the Purchaser; provided that, if the Maximum Amount of the Program is reduced to below the Minimum Amount of the Program, the Commitment Expiry Date shall be deemed to have occurred on the effective date of such intended reduction.

Such reduction of the Maximum Amount of the Program shall take effect on the first Funded Settlement Date during the Replenishment Period after the notice period referred to in the paragraph above and shall be definitive and irrevocable until the following anniversary date of this Agreement falling after such reduction. On such anniversary date, the Centralising Unit, acting in the name and on behalf of the Sellers, shall have the right to request either a decrease or an increase of the Maximum Amount of the Program, provided that any such increase shall be limited to an amount equal to the aggregate amount of all reductions made since the preceding anniversary date of this Agreement pursuant to the preceding paragraph. The Purchaser shall not accept any request to increase the Maximum Amount of the Program without the prior written consent of the Liquidity Banks and the Issuers.

7.1.3. In the event that any Liquidity Agreement is not renewed as a result of a Liquidity Commitment Non Renewal, the Maximum Amount of the Program shall be partially and automatically reduced by an amount equal to the commitment of the relevant Liquidity Bank.

Such reduction of the Maximum Amount of the Program shall take effect on the Funded Settlement Date following the date upon which an event described above has occurred and shall be definitive and irrevocable.

7.1.4, In the event the Maximum Amount of the Program is reduced in accordance with the provisions of Articles 7.1.2. or 7.1.3. above, the Maximum Amount of the Purchaser's Funding shall be reduced so that the Maximum Amount of the Purchaser's Funding is equal to the reduced Maximum Amount of the Program.

7.2 Amount of the Purchaser's Funding on the Initial Settlement Date

On the Initial Settlement Date, the amount of the Purchaser's Funding shall be equal to

- (i) the lower of the following amounts:
 - (a) the Outstanding Amount of Eligible Receivables to be purchased by the Purchaser on such date, multiplied by the excess of:
 - one (1) less;
 - the sum of the Overcollateralisation Rate and the Discount Rate; and
 - (b) the Maximum Amount of the Purchaser's Funding;
- (ii) less the amount of the Excess Foreseen Collections for such Initial Settlement Date,

rounded down to the nearest whole multiple of EUR 1,800.

7.3 Change in the Purchaser's Funding

On each Funded Settlement Date during the Replenishment Period other than the Initial Settlement Date, the Purchaser's Funding shall be adjusted as follows:

- (a) if:
 - (i) the lower of the following amounts:
 - (x) the Outstanding Amount of Eligible Receivables already purchased and to be purchased by the Purchaser on such date, multiplied by the excess of:
 - one (1) less;
 - the sum of the Overcollateralisation Rate and the Discount Rate; and
 - (y) the Maximum Amount of the Purchaser's Funding;
- less, except if any Early Amortisation Event defined in the Article 13.3. has occurred before the Assessment Date for such Settlement Date, the amount of the Excess Foreseen Collections for such Settlement Date,

rounded down to the nearest whole multiple of EUR 1,800;

exceeds

- (ii) the amount of the Purchaser's Funding outstanding on the preceding Funded Settlement Date;

then the Purchaser's Funding shall be increased by an amount equal to such excess (the "INCREASE IN THE PURCHASER'S FUNDING"); and

(b) if:

- (i) the lower of the following amounts:

- (x) the Outstanding Amount of Eligible Receivables already purchased and to be purchased by the Purchaser on such date, multiplied by the excess of:

- one (1) less;
- the sum of the Overcollateralisation Rate and the Discount Rate; and

- (y) the Maximum Amount of the Purchaser's Funding;

less, except if any Early Amortisation Event defined in the Article 13.3. has occurred before the Assessment Date for such Settlement Date, the amount of the Excess Foreseen Collections for such Settlement Date,

rounded down to the nearest whole multiple of EUR 1,800;

is lower than

- (ii) the amount of the Purchaser's Funding outstanding on the preceding Funded Settlement Date;

then the Purchaser's Funding shall be reduced by the amount of such difference (the "REDUCTION IN THE PURCHASER'S FUNDING").

7.4 Amount of the Purchaser's Funding in the event of a Potential Early Amortisation Event

In the event that a Potential Early Amortisation Event occurs, and as long as such Potential Early Amortisation Event is continuing, the amount of the Purchaser's Funding shall be limited to the amount of the Purchaser's Funding on the Funded Settlement Date before such Potential Early Amortisation Event has occurred.

ARTICLE 8. SUBORDINATED DEPOSIT

Pursuant to the terms of a Master Subordinated Deposit Agreement entered into between the Centralising Unit and the Purchaser on the Closing Date, the Centralising Unit shall make a Subordinated Deposit with the Purchaser. The main provisions of the Master Subordinated Deposit Agreement are as follows:

8.1 Subordinated Deposit

On the Initial Settlement Date and on each following Settlement Date during the Replenishment Period, the amount of the Subordinated Deposit shall be calculated by the Agent in accordance with the provisions of schedules 1 and 2 of the Master Subordinated Deposit Agreement.

The Agent shall calculate the amount of the Subordinated Deposit on each Calculation Date.

On any Calculation Date, during the Replenishment Period, the Agent shall calculate the difference between (i) the amount of the Subordinated Deposit to be made on such Settlement Date, and (ii) the amount of the Subordinated Deposit made on the preceding Settlement Date.

8.2 Pledge of the Subordinated Deposit

The Subordinated Deposit shall be pledged as cash collateral (affecte a titre de gage-especes) by the Centralising Unit in favour of the Purchaser, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and (ii) any sum due to the Purchaser by any Seller or the Centralising Unit pursuant to the Transaction Documents.

8.3 Repayment of the Subordinated Deposit

The repayment of the Subordinated Deposit shall be carried out in accordance with the terms and conditions set forth in the Master Subordinated Deposit Agreement and Article 16 (Order of Priority during the Amortisation Period).

ARTICLE 9. COMPLEMENTARY DEPOSIT

Pursuant to the terms of a Master Complementary Deposit Agreement entered into between the Centralising Unit and the Purchaser on the Closing Date, the Centralising Unit shall make a Complementary Deposit with the Purchaser. The main provisions of the Master Complementary Deposit Agreement are as follows:

9.1 Complementary Deposit

The Centralising Unit shall make a Complementary Deposit with the Purchaser in accordance with the terms and conditions of the Master Complementary Deposit Agreement.

On the Initial Settlement Date and on each following Settlement Date during the Replenishment Period, the amount of the Complementary Deposit shall be calculated by the Agent in accordance with the provisions of schedule 1 of the Master Complementary Deposit Agreement.

9.2 Pledge of the Complementary Deposit

The Complementary Deposit shall be pledged as cash collateral (affecte a titre de gage-especes) by the Centralising Unit in favour of the Purchaser, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and (ii) any sum due to the Purchaser by any Seller or the Centralising Unit pursuant to the Transaction Documents, provided that no party shall be entitled to receive, as a result of such pledge, any amounts in addition to those that it is entitled to receive pursuant to Article 16.

9.3 Repayment of the Complementary Deposit

The repayment of the Complementary Deposit shall be carried out in accordance with the terms and conditions set forth in the Master Complementary Deposit Agreement and Article 16 (Order of Priority during the Amortisation Period) hereunder.

CHAPTER IV - FEES

ARTICLE 10. FEES

10.1 On each Funded Settlement Date (except the Initial Settlement Date), the Centralising Unit shall pay to the Agent, the Management Fee which is due to compensate the Agent for its services under this Agreement.

10.2 Such Management Fee shall be equal to EUR 20,900 per month (V.A.T. excluded), increased by the applicable V.A.T ; provided that if the Securitisation Transaction is terminated by the Centralising Unit during the first two years of the Securitisation Transaction (other than a termination after there has been an Early Amortisation Event or a drawing under a Liquidity Agreement or a Liquidity Bank Letter), then the minimum amount of the Management Fee for the year in which the Securitisation Transaction is terminated shall be equal to EUR 250,000 (V.A.T. excluded), increased by the applicable V.A.T. As from the beginning of the third year until the fifth year of the Securitisation Transaction, in the event that the Centralising Unit decides to terminate the Securitisation Transaction and repurchases the Sold Receivables upon such termination (other than a termination after there has been an Early Amortisation Event or a drawing under a Liquidity Agreement or an Liquidity Bank Letter) and does not inform the Agent at the latest three months beforehand, the Centralising Unit undertakes to pay an amount upon such termination equal to the lesser of (i) the Management Fee for three months (EUR 62,700) (VAT excluded), increased by the applicable V.A.T, from the date on which the notice of termination is delivered minus any Management Fee otherwise paid after notice of termination is delivered and (ii) the Management Fee for the period from such termination until the expiration date of the Liquidity Agreements.

10.3 The Agent shall notify the amount of the Management Fee to the Centralising Unit, at the latest before 5.00 pm on the Calculation Date immediately preceding any Funded Settlement Date.

10.4 On each Funded Settlement Date, the Centralising Unit shall pay the Management Fee by crediting the Agent's Account before 12.00 (noon), for an amount equal to the Management Fee, as determined in accordance with 10.2. The parties acknowledge that the payment of such Management Fee by the Centralising Unit to the Agent shall be expressly excluded from the Current Account mechanism.

10.5 In the event that the Centralising Unit fails, to pay such Management Fee on a Funded Settlement Date, the Purchaser shall proceed forthwith with the payment of such Management Fee, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the Purchaser shall be, upon delivery of a subrogation notice by the Agent, subrogated in the rights of the Agent against the Centralising Unit to the extent of the sums paid to the Agent in respect of the Management Fee.

CHAPTER V - REPRESENTATIONS AND WARRANTIES -
GENERAL COVENANTS

ARTICLE 11. REPRESENTATIONS AND WARRANTIES

11.1 Each Seller, Goodyear Dunlop Tires Germany GmbH and the Centralising Unit represents and warrants to the Purchaser at the date hereof as follows:

- (i) - in the case of the French Seller, it is a limited company (societe anonyme) duly incorporated and validly existing under French law, or
- in the case of the German Parties, it is either a limited partnership (Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft) or a limited liability company (Gesellschaft mit beschränkter Haftung), duly established and validly existing under German law, or
- in the case of the Italian Seller, it is a joint stock company (societa per azioni) duly incorporated and validly existing under Italian law, or
- in the case of the Spanish Seller, it is a corporation (sociedad anonima) duly incorporated and validly existing under Spanish law, or
- in the case of the Centralising Unit, it is a limited liability company duly incorporated and validly existing under Dutch law;

- (ii) it has the capacity (a) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where failure of such capacity would not be reasonably likely to result in a Material Adverse Effect, and (b) to enter into and perform its obligations under the Transaction Documents to which it is a party;
- (iii) it does not require any power or authorisation to execute the Transaction Documents to which it is a party or to perform its obligations under the Transaction Documents, that it has not already obtained, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (iv) - except to the extent that no Material Adverse Effect would be reasonably likely to result, the execution of the Transaction Documents to which it is a party and the performance of its obligations under the Transaction Documents will not contravene (a) any of the provisions of its articles of association or of any other of its constitutional or organisational documents, (b) any laws or regulations applicable to it, or (c) any contractual obligations, negative pledges, agreements or undertakings to which it is a party or by which it is bound;

- the execution of the Transaction Documents to which it is a party and the performance of its obligations under the Transaction Documents will not contravene (x) if such concept is applicable in the relevant jurisdiction, the corporate interest (interet social) of the Centralising Unit or the relevant Seller and (y) in the case of each of the German Parties, Section 30 and seq. of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung);
- (v) the Transaction Documents to which it is a party constitute its legal, valid and binding obligations and are enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' right generally;
- (vi) all of the documents that it has provided to the Purchaser pursuant to the Transaction Documents are accurate and correct in all material respects as of their respective dates and as of the date of their delivery, and the audited, certified annual accounts were prepared in accordance with the relevant Accounting Principles and give, in all material respects, a true, accurate and fair view (comptes reguliers, sincerés et qui donnent une image fidele) of its results for the relevant fiscal year;
- (vii) it carries on its business in compliance with all of the relevant laws and regulations applicable to it, except where failure to do so would not be reasonably likely to have a Material Adverse Effect;
- (viii) there are no actions, suits or proceedings pending or, to its knowledge, threatened to be raised or brought against it, which are reasonably likely to result in a Material Adverse Effect, or any material litigation that challenges or seeks to prevent the Securitisation Transaction;

- (ix) except as specifically disclosed in writing to the Purchaser before the date hereof, no event has occurred since the closing date of its last fiscal year that is reasonably likely to adversely and materially affect, impede or prohibit the execution or the performance of its obligations under the Transaction Documents to which it is a party or that is otherwise reasonably likely to have a Material Adverse Affect;
- (x) no Early Amortisation Event of the type described in Article 13.3. has occurred and is continuing;
- (xi) GOODYEAR DUNLOP TIRES EUROPE BV holds directly or indirectly 100% in the Centralising Unit's share capital and voting rights and more than 50% in each Seller's share capital and voting rights and as such exercises effective control over the Centralising Unit and the Sellers within the meaning of Article L.511-7.3 of the French Monetary and Financial Code (Code monetaire et financier);
- (xii) it has received on the date hereof a certified true copy or final drafts of the Transaction Documents to be executed on the date hereof and has full knowledge of the same;
- (xiii) it has carried out its own legal, tax and accounting analysis as to the consequences of the execution and performance of its obligations under the Transaction Documents, and agrees that the Purchaser, the Joint Lead Arrangers, the Issuers and the Liquidity Banks shall have no liability to any of the Sellers or the Centralising Unit in that respect;
- (xiv) it has entered into intercompany arrangements with the Centralising Unit and the other Sellers, pursuant to which it has undertaken (a) to reimburse the Centralising Unit for certain fees, including any amount paid on its behalf and any losses arising under the Transaction Documents, (b) to pay the Centralising Unit a direct and sufficient consideration for the making of the Subordinated Deposit and the Complementary Deposit and compensate the Centralising Unit as is appropriate in respect of all losses incurred by the latter arising from the making of the Subordinated Deposit and the Complementary Deposit, and (c) to ensure that fees and expenses or any other sums due by the Sellers under the Transaction Documents are allocated among the Sellers in accordance with their respective corporate interest, if such concept is applicable in the relevant jurisdiction (the "INTERCOMPANY ARRANGEMENTS");
- (xv) it has entered into intercompany arrangements which shall, inter alia, (a) if complied with, ensure due compliance of each of the German Sellers, Goodyear Dunlop Tires Germany GmbH and GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Sellers with the relevant applicable corporate capital maintenance provisions, including, without limitation, Section 30 of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung), and (b) ensure that none of the German Sellers supports, directly or indirectly, the uncollectability of any Sold Receivables purchased by the Purchaser from any other German Seller without any required consideration therefor;
- (xvi) no Lien has been created or exists (other than any Liens contemplated by the Transaction Documents) (a) in relation to any Sold Receivables (and related rights) assigned by it prior to their respective assignment to the Purchaser or in respect of the

Collection Accounts, with the exception of those Liens which arise by operation of applicable laws and regulations, or (b) over the Subordinated Deposit and/or the Complementary Deposit;

- (xvii) its obligations under the Transaction Documents rank and will rank at least pari passu with all other present and future unsecured and unsubordinated obligations (with the exception of those preferred by law generally);
- (xviii) it is not entitled to claim immunity from suit, execution, attachment or other legal process in any proceeding taken in the jurisdiction of its incorporation in relation to any Transaction Documents;
- (xix) it is not subject to Insolvency Proceedings and is not insolvent within the meaning of applicable laws;
- (xx) in the case of each German Seller, (a) such German Seller has, to the extent permissible, opted for payment on a monthly basis of self-assessed or assessed VAT, (b) such German Seller having applied for a permanent extension for the filing of monthly returns (Dauerfristverlängerung) has posted a special advance estimated tax payment to the relevant tax office and (c) any such self-assessed or assessed VAT owed by such German Seller in accordance with applicable German VAT laws and regulations, has been paid to the relevant German tax administration when due; and
- (xxi) in the case of each German Seller, there is no dispute, action, suit or proceeding pending or, to its knowledge, threatened to be raised or brought against it, except for disputes, actions, suits or proceedings that such German Seller disputes in good faith, by any German tax administration in relation to any VAT tax payment or the calculation of such VAT.

11.2 The above representations and warranties shall be deemed to be repeated by each Seller and the Centralising Unit, as applicable, on each Settlement Date during the Replenishment Period upon the issue or, as the case may be, the execution of any Transfer Deed. Such representations and warranties shall remain in force until the Program Expiry Date.

ARTICLE 12. GENERAL COVENANTS

The following general covenants shall remain in force from the date hereof until the Program Expiry Date.

12.1 Sellers

12.1.1 Affirmative covenants:

Each Seller undertakes:

- (i) to provide the Purchaser without undue delay, on a non consolidated basis, with:
 - (a) its annual accounts (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, the report of the board of directors and statutory auditors relating thereto and an extract of the minutes of the shareholders' annual general meeting approving the said accounts, no later than forty-five (45) calendar days following the holding of its shareholders' annual general meeting;
 - (b) all published interim financial information;
 - (c) all other information, reports or statements as the Purchaser may at any time reasonably request in so far as is permitted by applicable laws and regulations, and depending on the type of information requested, in accordance with the different procedures applicable to the communication of information under this Agreement;
- (ii) to request promptly any authorisation as may become necessary for the performance of its obligations under this Agreement;
- (iii) to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except to the extent that failures to keep in effect such rights, licenses, permits, privileges and franchises would not be reasonably likely to result in a Material Adverse Effect;
- (iv) upon knowledge by the relevant Seller that (a) an Early Amortisation Event defined in Article 13.3 has occurred, to notify or cause to be notified forthwith the Purchaser and provide a copy of the same to the Joint Lead Arrangers and (b) a Potential Early Amortisation Event has occurred, to notify or cause to be notified forthwith the Purchaser and provide a copy of the same to the Joint Lead Arrangers and, where applicable, of actions which the Seller has taken and/or proposes to take with respect thereto in order to prevent such Potential Early Amortisation Event from becoming an Early Amortisation Event;
- (v) to carry on its business in all material aspects in accordance with all applicable laws and regulations, except where failure to do so would not be reasonably likely to have a Material Adverse Effect;

(vi) upon the Purchaser's request, which shall be subject to a reasonable prior notice, to arrange forthwith for bi-annual audits to be carried out by the Purchaser or by any other entity appointed by the Purchaser for such purposes, of its receivables and collection procedures. The audits shall be conducted at the expense of and paid by the Centralising Unit, acting in the name and on behalf of the Sellers, it being understood that:

- the main bi-annual audit shall be carried out at the latest two (2) months before the anniversary date of the Closing Date (with the exception of a New Seller acceding to the Securitisation Transaction in accordance with the provisions of Article 40, in relation to which the first audit carried out before the entry into the Securitisation Transaction of the New Seller shall be sufficient to satisfy the the bi-annual requirement referred to above for the first anniversary date of the Closing Date falling after its accession);
- prior to the carrying out of the second bi-annual audit, the Agent shall ask the Purchaser, the Liquidity Banks and the Back-Up Servicer whether and the extent to which a second bi-annual audit is necessary;

this second bi-annual audit will not be carried out in the event that the Agent, the Purchaser, the Liquidity Banks and the Back-Up Servicer unanimously confirm in writing that such a second bi-annual audit is unnecessary;

(vii) commencing on the date on which an Auditors Certificate is drawn up in accordance with Article 5 (Conditions precedent to the commencement of this Agreement), to deliver to the Purchaser an Auditors Certificate within six (6) calendar months after the date of delivery of the previous Auditors Certificate in the form set out in Schedule 4 provided that with respect to Goodyear Dunlop Tires OE Germany, this undertaking shall become effective as of the later of (a) six months after it has appointed a statutory auditor and (b) the first date following the date as of which such New German Seller becomes a party on which the other Sellers deliver an Auditors Certificate under this Agreement, and provided that the form set forth in Schedule 4 shall be adapted mutatis mutandis;

(viii) to notify forthwith the Purchaser, promptly upon becoming aware, of any material adverse change in relation to any Sold Receivable, and to promptly respond to any reasonable written request of the Purchaser, the Agent, any Back-Up Servicer or any Italian Back-Up Servicer concerning any event in relation to any Sold Receivable which is reasonably likely to endanger the payment of a sum under such Sold Receivable;

(ix) to keep the Purchaser fully informed of the existence and progress of (a) any material litigation relating to a Sold Receivable, (b) any claim or litigation relating to the Sold Receivables before the courts or in arbitration for the purposes of recovering material sums due under such Sold Receivables, (c) any claim or litigation relating to the Sold Receivables before the courts or in arbitration for the purposes of recovering sums due under such Sold Receivable, upon written request of the Purchaser, the Agent, any Back-Up Servicer or any Italian Back-Up Servicer, and (d) any action, suit or proceeding described in Article 11.1. (viii);

- (x) to submit to the Purchaser, as soon as practicable, on the Purchaser's reasonable request and subject to the provisions of Article 20 (Identification of the contractual documentation for the Sold Receivables - Access to documents) and Article 31 (Confidentiality), all documents which enable the latter to verify that the Seller has properly fulfilled its contractual obligations concerning the collection of sums due under the Sold Receivables, to the extent permitted by applicable laws or regulations and in particular, in the case of the Protected Debtors, by the provisions of the Data Protection Trust Agreement;
- (xi) to transfer or cause to be transferred to the Purchaser all Adjusted Collections in accordance with the provisions of Article 23 (Application of payments and payments of collections);
- (xii) commencing on the date on which a Solvency Certificate is drawn up in accordance with Article 5 (Conditions precedent to the commencement of this Agreement), to deliver to the Purchaser a Solvency Certificate (on a date which shall be a Settlement Date during the Replenishment Period) on a quarterly basis in accordance with the form set out in Schedule 5, provided that with respect to Goodyear Dunlop Tires OE GmbH and any New Seller, such Seller shall submit a Solvency Certificate, adapted mutatis mutandis and on the same schedule as the other Sellers;
- (xiii) to execute any and all further documents, agreements and instruments, and take all such further actions, as may be reasonably requested by the Purchaser in order to ensure that the sales of Purchasable Receivables to the Purchaser under the Receivables Purchase Agreements constitute valid and perfected sales of such Purchasable Receivables and the security interests created over the Collection Accounts for the benefit of the Purchaser constitute valid and perfected security interests;
- (xiv) to inform the Purchaser, as soon as possible and in so far permitted by applicable laws and regulations, of its intention to restructure such Seller leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold directly or indirectly more than 50% in the voting rights of such Seller;
- (xv) to ensure that steps are taken to maintain the performance of the billing and recovery procedures and accountancy methods in relation to the customer account (compte client) of such Seller, with the same degree of skill and care as evidenced during the audits carried out on behalf of the Purchaser or any of their agents during the structuring phase of the Securitisation Transaction;
- (xvi) to ensure that any information transmitted by the Centralising Unit or such Seller during the term of this Agreement and pursuant to the Transaction Documents is true and accurate in all material respects;

- (xvii) to maintain effective and in full force at all times the Intercompany Arrangements with the Centralising Unit and the other Sellers, and not to change such Intercompany Arrangements in any way that may adversely affect the rights of the Purchaser under the Securitisation Transaction;
- (xviii) to maintain effective and in full force at all times, such internal arrangements between the German Sellers, Goodyear Dunlop Tires Germany GmbH and GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Sellers which are necessary to (i) if complied with, ensure due compliance of each of the German Sellers, Goodyear Dunlop Tires Germany GmbH and GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR and/or any other shareholder or affiliate of the German Sellers with the relevant applicable corporate capital maintenance provisions, including, without limitation, Section 30 of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung), and (ii) ensure that none of the German Sellers supports, directly or indirectly, the uncollectability of any Sold Receivables purchased by the Purchaser from any other German Seller without any required consideration therefor;
- (xix) to keep any Bill of Exchange relating to a Sold Receivable as custodian of the Purchaser for collection purposes unless the Sellers' Collection Mandate has been terminated and it has received notification from the Purchaser to deliver such Bill of Exchange to the Purchaser or any third party appointed by the Purchaser;
- (xx)
 - (a) in the case of the Spanish Seller, to take such steps and do all things as to notarise before a Spanish Public Notary (x) as of the date hereof, the Spanish law governed Receivables Purchase Agreement, the Transfer Deed delivered pursuant thereto on the Initial Settlement Date (specifying in such Transfer Deed any promissory notes which must be transferred in accordance with this Agreement and the relevant Receivables Purchase Agreement) and the Spanish Collection Account Agreements and (y) on each Settlement Date during the Replenishment Period, any Transfer Deed delivered pursuant to the relevant Receivables Purchase Agreement (specifying in such Transfer Deeds any promissory notes which must be transferred in accordance with this Agreement and the relevant Receivables Purchase Agreement), it being understood at all times that the costs of such notarisation shall be borne by the Spanish Seller;
 - (b) in the case of the Italian Seller, to take such steps and do all things as to notarise before an Italian Public Notary as of the date hereof, the Italian law governed Collection Account Agreements, it being understood that the costs of such notarisation shall be borne by the Italian Seller;
- (xxi)
 - (a) to instruct any Debtor, which has not been already informed, to pay any sum due under a Sold Receivable to the relevant Collection Account(s) and, from the date hereof, to collect any sums due under a Sold Receivable exclusively on the relevant Collection Account(s), and
 - (b) to promptly transfer to the relevant Collection Account(s) any sums paid by a Debtor in a different manner than to the relevant Collection Account(s);

- (xxii) in the case of the Italian Seller, to grant the Italian Stand-By Servicer/Italian Back-Up Servicer a prior irrevocable mandate which has been signed by the Italian Seller authorizing the Italian Back Up Servicer, whenever an Italian Notice of Transfer has to be sent in accordance with this Agreement, to execute the Italian Notice of Transfer, it being provided that the Italian Stand-By Servicer/Italian Back-Up Servicer shall not use such irrevocable mandate for any purpose other than the execution of the Italian Notice of Transfer;
- (xxiii) in the case of the Italian Seller, to grant the Italian Stand-By Servicer/Italian Back-Up Servicer a prior irrevocable mandate which has been signed by the Italian Seller authorising the Italian Stand-By Servicer/Italian Back-Up Servicer to send RID collections through the banking network by using the SIA code granted to the Italian Seller, it being provided that the Italian Stand-By Servicer/Italian Back-Up Servicer shall not use such irrevocable mandate for any purpose other than the performance of the back-up servicing activities;
- (xiv) in the case of the Italian Seller and if the RID collection system is used in connection with the Italian Debtors, to provide the Italian Stand-By Servicer/Italian Back-Up Servicer with all necessary information required for the purpose of sending RID applications through the banking network (and namely the SIA code granted to the Italian Seller) and ensure or cause to ensure that the List of Italian Purchasable Receivables has been correctly completed with such information;
- (xxv) in the case of the Italian Seller and if the RIBA collection system is used in connection with the Italian Debtors, to provide the Italian Stand-By Servicer/Italian Back-Up Servicer with all necessary information required for the purpose of issuing RIBA over Italian Debtors which have agreed to such means of payments and ensure or cause to ensure that the List of Italian Purchasable Receivables has been correctly completed with such information; and
- (xxvi) in the case of each German Seller,
 - (a) (w) to opt or continue to opt at all times for payment of self-assessed or assessed VAT on a monthly basis, (x) having applied for a permanent extension for the filing of monthly returns (Dauerfristverlängerung) post and maintain posted a special advance estimated tax payment to the relevant tax office, (y) to calculate and self-assess VAT on a monthly basis in accordance with German VAT laws and regulations and (z) to pay any VAT when due to the relevant German tax administration on a monthly basis;
 - (b) to provide the Purchaser on each Information Date with (x) a monthly report detailing the calculation of VAT due in relation to the preceding calendar month in accordance with German VAT laws and regulations, and (y) evidence of the payment of any amounts of VAT when due to the relevant German tax administration, as described in such monthly report;
 - (c) to submit promptly upon request of the Purchaser a statement and/or evidence in respect of any VAT payment;

- (d) to ensure that, promptly upon request of the Purchaser at any time and in any event semi annually (x) its auditors or any qualified accountants carry out an audit in relation to its VAT assessment procedures and VAT payment in accordance with applicable law and regulations, detailing the calculation and the payment of VAT during the period since the previous audit or (as relevant) during the last six (6) calendar months and (y) the results of such audit are forthwith communicated to the Purchaser, whereby the costs of such audit shall be borne by such German Seller.

12.1.2 Negative covenants

Each Seller undertakes:

- (i)
 - (a) not to sell, lease, transfer or dispose of, the whole or a substantial part of its business or assets whether in a single transaction or by a number of transactions. Such prohibitions do not however apply to: (w) disposals in the ordinary course of the business of the Centralising Unit or of any Seller; (x) disposals between the Centralising Unit and any Seller(s) or between any Sellers or within the GOODYEAR Group; (y) disposals for arm's length consideration on normal commercial terms; or (z) other disposals which are not reasonably likely to materially prejudice the rights of the Purchaser hereunder or adversely and materially affect the collectibility of the Sold Receivables; and
 - (b) except for any intra-group mergers or reorganisations within the GOODYEAR Group, not to purchase all or part of the assets of any individual, undertaking or company, and not to enter into any merger (fusion), demerger (scission) or proceeding of a similar nature, which is reasonably likely to materially prejudice the rights of the Purchaser hereunder or adversely affects such Seller's ability to collect the Sold Receivables;
- (ii) not to vary any of its collection procedures currently in operation on the date it becomes a Seller under the Transaction Documents, without the prior written consent of the Purchaser if such a variation is reasonably likely to adversely affect the quality of such collection procedures;
- (iii)
 - (a) not to deliver to the Purchaser any document containing information concerning the Sold Receivables which it knows to be inaccurate or incomplete;
 - (b) not to deliver to the Purchaser any document containing information concerning the Sold Receivables which it, in the exercise of reasonable diligence, should reasonably have known to be inaccurate or incomplete, in any material respect;
- (iv) not to use any software for the management of the Sold Receivables unless the software user licence allows it to be used to monitor the Sold Receivables, except in cases that would not be reasonably likely to result in a Material Adverse Effect;

- (v) to abstain from varying the corporate purposes or changing the legal form of such Seller, except to the extent related to any intra-group mergers or reorganisations within the GOODYEAR Group or to the extent that such variation or change would not be reasonably likely to result in a Material Adverse Effect;
- (vi) not to endorse, transfer or deliver to any person a Bill of Exchange relating to a Sold Receivable unless such an endorsement, transfer or delivery is made for the benefit of the Purchaser and, upon request of the Purchaser, to endorse, transfer or deliver, to the Purchaser or any third party designated by the Purchaser, acting pursuant to a power of attorney provided by a separate agreement, any and all Bills of Exchange corresponding to Sold Receivables and take all such measures deemed necessary by the Purchaser in order to preserve its rights hereunder; and
- (vii) not to create, incur, assume or permit to exist any Liens (other than any Liens contemplated by the Transaction Documents) (a) in relation to any Sold Receivables (and related rights) prior to their respective assignment to the Purchaser or in respect of the Collection Accounts, with the exception of those Liens required by applicable laws and regulations, or (b) over the Subordinated Deposit and/or the Complementary Deposit.

12.2 Centralising Unit

12.2.1 Affirmative covenants

The Centralising Unit undertakes:

- (i) to provide the Purchaser without undue delay, on a non consolidated basis, with:
 - (a) its annual accounts (balance sheet, profit and loss accounts and annexes), as published and certified by its statutory auditors, the related report of the board of directors and statutory auditors, and an extract of the minutes of the shareholders' annual general meeting approving the said accounts, no later than forty-five calendar days (45) following the holding of its shareholders' annual general meeting;
 - (b) all published interim financial information; and
 - (c) all other information, reports or statements as the Purchaser may at any time reasonably request and depending on the type of information requested, in accordance with the procedures applicable to the communication of information under this Agreement;
- (ii) to request promptly any authorisation as may become necessary for the performance of its obligations under the Transaction Documents to which it is a party;

- (iii) to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except to the extent that failure to keep in effect such rights, licenses, permits privileges and franchises would not be reasonably likely to result in a Material Adverse Effect;
- (iv) upon knowledge by the Centralising Unit that (a) an Early Amortisation Event has occurred, to notify forthwith the Purchaser of the same and (b) a Potential Early Amortisation Event has occurred, to notify forthwith the Purchaser of the same and, where applicable, of actions which the Centralising Unit has taken and/or proposes to take with respect thereto in order to prevent such Potential Early Amortisation Event from becoming an Early Amortisation Event;
- (v) to carry on its business in accordance with all applicable laws and regulations, except where failure to do so would not be reasonably likely to result in a Material Adverse Effect;
- (vi) on the first sixth month anniversary of the date hereof following the date on which it has appointed a statutory auditor within the meaning of article 2:393 of the Dutch Civil Code, to deliver to the Purchaser an Auditors Certificate in a form reasonably acceptable to the Purchaser and thereafter to deliver an Auditors Certificate in such form within six month after the date of the delivery of the previous Auditors Certificate;
- (vii) commencing on the date on which a Solvency Certificate is drawn up in accordance with Article 5 (Conditions precedent to the commencement of this Agreement), to deliver to the Purchaser (on a date which shall be a Settlement Date during the Replenishment Period), a Solvency Certificate within three (3) calendar months after the date of delivery of the previous Solvency Certificate, in accordance with the form set out in Schedule 5;
- (viii) to provide the Agent on each Information Date before 11.00 pm with a copy of the Assessment Report and a List of Purchasable Receivables in the form agreed between the parties to this Agreement;
- (ix) to provide on each Settlement Date during the Replenishment Period before 9.00 am, the Transfer Deeds;
- (x) to transmit to the Agent and the Purchaser a certificate evidencing compliance with the Financial Covenants at the time of delivery of such financial information described in points (a) and (b) of section 5.01 of the European Credit Facility;
- (xi) to inform the Purchaser, as soon as possible, and in so far as is permitted by applicable laws and regulations of any restructuring leading to GOODYEAR DUNLOP TIRES EUROPE B.V. ceasing to hold directly or indirectly 100% in the voting rights of the Centralising Unit;

- (xii) to ensure that any information transmitted by the Centralising Unit or any of the Sellers during the course of the Securitisation Transaction and pursuant to the Transaction Documents is accurate and true in all material respects;
- (xiii) to maintain effective and in full force at all times the Intercompany Arrangements with the Centralising Unit and the other Sellers, and not to change such Intercompany Arrangements in any way that may adversely affect the rights of the Purchaser under the Securitisation Transaction.

12.2.2 Negative covenants

The Centralising Unit undertakes:

- (i) to abstain from changing its legal form, its corporate existence and varying its corporate purposes, except to the extent that such variation or change would not be reasonably likely to adversely affect the performance of its obligations under the Transaction Documents;
- (ii) not to create, incur, assume or permit to exist any Liens in relation to any of its assets, except for Liens provided under the Transaction Documents, or to the extent required by applicable laws or regulations.

12.3 Agent

12.3.1 The Agent hereby agrees with the other parties that it shall, at the latest on each Calculation Date:

- (i) identify a selection in the List of Purchasable Receivables sent by the Centralising Unit, acting in the name and on behalf of the Sellers, on the preceding Information Date, in order to select the Purchasable Receivables which shall be purchased by the Purchaser from the Sellers on the next Settlement Date during the Replenishment Period, so that the Outstanding Amount of Sold Receivables (taking into account the Outstanding Amount of Purchasable Receivables to be purchased on the following Settlement Date during the Replenishment Period) shall not exceed the sum of the Maximum Amount of the Purchaser's Funding, the amount of the Subordinated Deposit, the Maximum Amount of the Complementary Deposit and the Discount Reserve;
- (ii) identify among the Purchasable Receivables selected in accordance with point (i) above, Eligible Receivables, which shall be selected so that the Outstanding Amount of Eligible Receivables due by Debtors of the same Group on such date shall not exceed the Maximum Concentration Rate multiplied by the Outstanding Amount of the Eligible Receivables on such date;

- (iii) send to the Centralising Unit, acting in the name and on behalf of the Sellers, before 5.00 pm on such Calculation Date a list containing the Purchasable Receivables (and identifying specifically the Eligible Receivables) to be purchased on the next Settlement Date during the Replenishment Period, along with the Outstanding Amount of Purchasable Receivables and the Outstanding Amount of Eligible Receivables;
- (iv) calculate, as of the following Settlement Date:
 - (a) the balance of the Current Account;
 - (b) the Discount Amount;
 - (c) the amount of the Discount Reserve, if such Calculation Date immediately precedes a Settlement Date;
 - (d) the Outstanding Amount of Sold Receivables and the Outstanding Amount of Eligible Receivables, globally and for each Seller individually;
 - (e) the amount of the Purchaser's Funding, including any increase or reduction in the level of such funding if such Calculation Date precedes immediately a Funded Settlement Date;
 - (f) the amount of the Subordinated Deposit;
 - (g) the amount of the Complementary Deposit;
 - (h) as the case may be, the amount of the Foreseen Collections;
 - (i) the amount of the Adjusted Collections; and
 - (j) any other amounts agreed between the Agent and the Centralising Unit.
- (v) give notice before 5.00 pm on such Calculation Date to the Centralising Unit acting, as the case may be, on its own behalf or on behalf of the Sellers, of the calculations (with supporting details) carried out pursuant to the above paragraph (iv) in order to provide the information needed, as the case may be, for the payment to be made on the following Settlement Date pursuant to Article 6.3, in accordance with the letter described in Schedule 15;
- (vi) communicate the calculation of any Increase in the Purchaser's Funding or any Reduction in the Purchaser's Funding in accordance with the provisions of Article 7.3 to the Depositor.

The parties agree that, in the event that any party becomes aware of any error in the calculation carried out by the Agent pursuant to the present Article 12.3.1, such party shall forthwith notify the Agent in order to rectify such an error.

12.3.2. At the latest on each Calculation Date, the Agent shall, at the request of any Joint Lead Arranger, forthwith transmit a copy of the Assessment Reports, the Lists of Purchasable

Receivables or any reporting documents relating to the Sold Receivables and provide the Joint Lead Arrangers with any information relating to the amount of Adjusted Collections received from the Sellers by the Purchaser on such Calculation Date.

CALYON shall ensure that the Centralising Unit and the Sellers have furnished the information referred to in the paragraph above to the Agent and the Purchaser.

12.3.3 On each Calculation Date before 5.00 pm, the Calculation Agent undertakes to deliver forthwith, to the Centralising Unit acting in the name and on behalf of the Sellers, a document relating to the Sold Receivables, in the form attached hereto as Schedule 12.1, as modified from time to time by the parties to this Agreement, and to provide a copy of such document to the Joint Lead Arrangers.

After each Settlement Date, the Calculation Agent undertakes to deliver forthwith to each Issuer, a report document relating to the Sold Receivables, in the form attached hereto as Schedule 12.2, as modified from time to time between the Agent, the Purchaser and the Issuers.

For the purposes of the relevant reporting documents, the parties agree that CALYON shall be responsible for ensuring that such reporting requirements are carried out.

12.4 Failure to deliver Assessment Report or List of Purchasable Receivables

12.4.1 In the event that the Centralising Unit fails to provide the Agent with a copy of the Assessment Report and/or a List of Purchasable Receivables within one (1) Business Day after an Information Date, or provides the Agent with a copy of the Assessment Report and/or a List of Purchasable Receivables, that is incomplete in relation to one or several Sellers (with respect to any Seller, a "Delivery Failure"), the Agent shall carry out the identification and the calculations referred to in Articles 12.3.1 and 12.3.2 as follows:

- in relation to Sellers for which there is no Delivery Failure, on the basis of the Assessment Report and the List of Purchasable Receivables provided to the Agent on such Information Date; and
- in relation to Sellers for which there is a Delivery Failure, on the basis of the Assessment Report and the List of Purchasable Receivables provided to the Agent on the preceding Information Date;

provided that the Centralising Unit has sent to the Agent a single consolidated Assessment Report and a single List of Purchasable Receivables. If the Agent has not received such single consolidated Assessment Report and such List of Purchasable Receivables, it shall make its calculations on the basis of the single consolidated Assessment Report and single List of Purchasable Receivables received on the previous Information Date.

12.4.2 In the event of any failure to comply with the provisions of Article 12.2.1. (viii), the Centralising Unit shall comply with such provisions with respect to the documents required to be delivered on or before the next Information Date.

12.4.3 The Centralising Unit shall provide, on each Information Date, the list of Sold

Receivables which are Doubtful Receivables and to be retransferred to the relevant Seller in accordance with article 4.2 of the relevant Receivables Purchase Agreement.

12.5 Purchaser

Other than as contemplated by the Transaction Documents, the Purchaser undertakes not to (a) sell, transfer or otherwise dispose of any Sold Receivables or (b) create, incur, assume or permit to exist any Liens over any Sold Receivables (and related rights), with the exception of those Liens required by applicable laws and regulations.

CHAPTER VI - EARLY AMORTISATION

ARTICLE 13. EARLY AMORTISATION

13.1 Early Amortisation Events in relation to the Securitisation Transaction:

The fact that the Purchaser's Funding falls below the Minimum Amount of the Program shall constitute an Early Amortisation Event with respect to this Agreement and the Receivables Purchase Agreements.

13.2 Early Amortisation Event in relation to the Purchaser:

If any event occurs, which is not an event that is due to CALYON or that could have been prevented by CALYON, and which, in the Rating Agencies' opinion, jeopardises the "bankruptcy remote character" of the Purchaser, the Purchaser may terminate its Commitment to purchase Purchasable Receivables from the Sellers subject to notice made in writing to the Centralising Unit. In such an event, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth (30th) calendar day following receipt by the Centralising Unit of the Purchaser's Termination Notice. Such Purchaser's Termination Notice shall state the reasons for the Rating Agencies' opinion.

13.3 Early Amortisation Events in relation to any Seller or the Centralising Unit:

Each of the following events shall constitute an Early Amortisation Event with respect to this Agreement and the Receivables Purchase Agreements:

- (i) the Centralising Unit requests the termination of the Replenishment Period ;
- (ii) any Seller, the Centralising Unit, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR or any Material Subsidiary has entered into Insolvency Proceedings;
- (iii) any failure by a Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to make a payment (including any deposit or transfer of Adjusted Collections to the Purchaser) when due under the Transaction Documents:

- (w) which is not remedied within two (2) Business Days, provided that such failure is due to a technical reason which affects the means of payment in the banking system used by such Seller or by the Centralising Unit and is not otherwise covered by clause (y) below;
 - (x) which is not remedied within four (4) Business Days, where such failure arises in relation to the payment of the Management Fee or the Stand-by Fee;
 - (y) which is not a scheduled payment under the Transaction Documents and which is not remedied within two (2) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
 - (z) which is a scheduled payment (including a payment due pursuant to Article 6.3.2.) and is not otherwise covered by clause (w) or (x) above;
- (iv) any restructuring of (a) a Seller leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of such a Seller, or (b) GOODYEAR DUNLOP TIRES EUROPE BV leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of GOODYEAR DUNLOP TIRES EUROPE BV, or (c) the Centralising Unit leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold, directly or indirectly, 100% in the share capital and voting rights of the Centralising Unit;
- (v) any default by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV (including any material default in the collection obligations set forth in Articles 21, 24, 25 and 26) other than the defaults referred to in paragraph (iii) above or paragraphs (vi) and (vii) below, in relation to any of their obligations under the Transaction Documents:
- which is not remedied within one (1) Business Day after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, if such default is in relation to their respective obligations under Article 12.2.1 (viii), and the Centralising Unit does not comply with Article 12.4.2;
 - which is not remedied within one (1) Business Day after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, if such default is in relation to their respective obligations under 12.2.1 (ix);
 - which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware, if such default is in relation to their respective obligations under 12.1.1. (iv), (x), (xiii), (xvi), (xxi), and 12.2.1. (iv), (xii);
 - which is a default of the obligations arising under 12.1.2 or 12.2.2, which (a) if capable of remedy, is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware, or (b) if not capable of remedy, has not been waived

by the Purchaser within five (5) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;

- which is not remedied within thirty (30) Business Days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware;

- (vi) any failure by any Seller or the Centralising Unit to deliver an Auditors Certificate, complying with the relevant form attached as Schedule 4 (adapted mutatis mutandis in the case of a New Seller), as provided for under Article 12.1.1 (vii) and 12.2.1 (vi), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;
- (vii) any failure by any Seller or the Centralising Unit to deliver a Solvency Certificate, complying with the relevant form attached as Schedule 5 (adapted mutatis mutandis in the case of a New Seller), as provided for under Article 12.1.1 (xii) and 12.2.1 (vii), which is not remedied within ten (10) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware;
- (viii) any representation and warranty made by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under the Transaction Documents (other than under Article 19), or any information contained in any document delivered by any Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to the Purchaser pursuant thereto, is found to have been inaccurate on the date on which it was made or delivered, if such inaccuracy (a) is not remedied or waived accordingly within thirty (30) days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware and (b) is reasonably likely to result in a Material Adverse Effect;
- (ix) any Material Indebtedness of GOODYEAR DUNLOP TIRES EUROPE BV, or any of its subsidiaries, or GOODYEAR (a) has not been paid or repaid when due (after giving effect to any applicable grace period) or (b) has become due and payable before its stated date of payment as a result of a declared default and after the expiry of any applicable grace period provided that, in each case, such default has not been waived pursuant to the terms of the relevant agreement;
- (x) there is an attachment, freezing or seizure (saisie) order against all or any material part of the property, assets or revenues of the Centralising Unit, any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV or in the event that the Centralising Unit, any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV has become subject at any time to any court order or other court process having similar effect and such attachment, seizure (saisie), court order or court process remains in effect and is not discharged during a period of forty-five (45) calendar days following the date on which it was served;
- (xi) any change of any kind in any Seller's or Centralising Unit's articles of association, business or assets, which would be reasonably likely to result in a Material Adverse Effect;

- (xii) the validity of the Transaction Documents or a Transfer Deed issued pursuant to the Receivables Purchase Agreement or any Payment hereunder or thereunder is successfully challenged by any enforcement order issued or judgment obtained as a result of proceedings before any court (including arbitration proceedings);
 - (xiii) whenever on three (3) successive Funded Settlement Dates, the Overcollateralisation Rate is higher than the Maximum Overcollateralisation Rate;
 - (xiv)
 - (a) any of the Transaction Documents becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to their respective terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser in any material respect;
 - (b) a Transfer Deed becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to its terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser;
 - (xv)
 - (a) the ratio at the end of any fiscal quarter of (a) Consolidated Net Secured Indebtedness to (b) Consolidated EBITDA of GOODYEAR and its Consolidated Subsidiaries for the most recent period of four consecutive fiscal quarters for which financial statements have been filed with the United States Securities and Exchange Commission, is greater than 3.50 to 1.00;
 - (b) the ratio of (x) Consolidated EBITDA of GOODYEAR and its Consolidated Subsidiaries to (y) Consolidated Interest Expense of GOODYEAR and its Consolidated Subsidiaries, for any period of four (4) consecutive fiscal quarters is less than 2.00 to 1.00; or
 - (c) the ratio at the end of any fiscal quarter of (x) Consolidated Net J.V. Indebtedness to (y) Consolidated European J.V. EBITDA for the most recent period of four consecutive fiscal quarters for which financial statements have been filed with the United States Securities and Exchange Commission, is greater than 2.75 to 1.00;
- and, in each case, there has been no Applicable Waiver or Amendment on or prior to the 60th calendar day after the occurrence of any such event. In addition, this Agreement shall be automatically amended, with no further actions required by the parties hereto, to reflect the changes made in any Applicable Waiver or Amendment.
- Capitalized terms used in this Article 13.3 (xv) and not defined in Schedule 1 have the meanings set forth for such terms in Schedule 16;
- (xvi) if all Sellers withdraw from the Agreement in accordance with the provisions of Article 39;
 - (xvii) the three-month rolling average of the Delinquency Percentage exceeds 3.5%, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof;

- (xviii) the three-month rolling average of the Default Percentage exceeds 2.5%, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof; and
- (xix) the three-month rolling average of the Dilution Percentage exceeds 10.5%, and such event is not waived within thirty (30) days after notice received from the Purchaser, or, if earlier, after a Responsible Officer becomes aware thereof.

13.4 Consequences of Early Amortisation Events

Except for the Early Amortisation Event described in Article 13.2, the effect of which is set out in such Article, the consequences of the Early Amortisation Events shall be as follows:

- (i) If an Early Amortisation Event referred to in Articles 13.1 or 13.3 occurs and has not been waived, the Purchaser may or, if all the Liquidity Banks (which shall be consulted by the Purchaser upon the occurrence of such an Early Amortisation Event) instruct the Purchaser to do so, shall terminate by notice in writing to the Centralising Unit (the "PURCHASER'S TERMINATION NOTICE"), its Commitment to purchase Purchasable Receivables from the Sellers. Upon knowledge by the Purchaser of the occurrence of an Early Amortisation Event and provided such Early Amortization Event has not been waived and as soon as the Purchaser has determined that such an occurrence shall entail the occurrence of the Commitment Expiry Date, a Purchaser's Termination Notice may be sent forthwith. In such an event, the Commitment Expiry Date shall be deemed to have occurred on the date of receipt of the Purchaser's Termination Notice by the Centralising Unit.

However, if upon consultation of the Liquidity Banks in accordance with the above paragraph, such Liquidity Banks cannot agree among themselves as to the termination by the Purchaser of its Commitment, and where the Purchaser has not already decided in its own discretion to terminate its Commitment, the relevant Liquidity Bank (the "TERMINATING LIQUIDITY BANK") may decide to terminate its own commitments under the Liquidity Agreement, upon notice in writing to the Centralising Unit, the Purchaser and the other Liquidity Bank(s) no later than the Information Date preceding the Funded Settlement Date on which such termination is to be effective.

In the event of the termination of its(their) commitment by the Terminating Liquidity Bank(s), the Maximum Amount of the Program shall be partially and automatically reduced by an amount equal to the commitment of such Terminating Liquidity Bank(s). Such reduction of the Maximum Amount of the Program shall take effect on the Funded Settlement Date following the date upon which the termination of its(their) commitment by the Terminating Liquidity Bank(s) has occurred and shall be definitive and irrevocable.

- (ii) By way of further exception to the foregoing, if an Early Amortisation Event set forth in Article 13.3 (iv), (v), (vi), (vii), (x), (xi), (xii), and (xiv) occurs exclusively in relation to certain but not all Sellers, the Purchaser shall give notice thereof to the relevant Seller(s) and the Centralising Unit. The parties hereby agree that upon receipt by the relevant Seller(s) and the Centralising Unit of such notice, the Purchaser shall be entitled to purchase no further Purchasable Receivables from the relevant Seller(s) (the "EXCLUDED SELLER(s)"). The Purchaser's Commitment shall not otherwise be affected, except that if the aggregate amount of Sold Receivables assigned by the Excluded Seller(s) on the preceding six (6) Settlement Dates represents more than 45% of the aggregate amount of Sold Receivables assigned by all Sellers on such dates, the Commitment Expiry Date shall be deemed to have occurred on the date of receipt of the notice referred to above.

For the avoidance of doubt, if any Potential Early Amortisation Event occurs, the parties agree that such event shall not constitute an Early Amortisation Event if a suitable agreement between the parties has been reached within the grace period (if any) provided for the related Early Amortisation Event in Article 13.3.

CHAPTER VII - TAXES - CHANGES IN CIRCUMSTANCES

ARTICLE 14. TAXES

14.1. All payments to be made by each Seller, acting as a Seller or as a sub-servicer of the Sold Receivables, or the Centralising Unit to the Purchaser under this Agreement shall be made free, clear of and without deduction for or on account of tax (not being tax imposed on the general income of the Purchaser), unless the Seller or the Centralising Unit is required by mandatory provisions of law to make such a payment subject to the deduction or withholding of tax, in which case the sum to be paid by the Seller or the Centralising Unit in respect of which such deduction or withholding is required to be made shall, to the extent permitted by law, be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Purchaser receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

In the event that any payment made by the Centralising Unit hereunder is subject to, any withholding or deduction, the Purchaser shall use reasonable efforts to recover any tax credit that it may be entitled to on account of such withholding or deduction and shall remit to the Centralising Unit any amounts so recovered, up to the amount necessary for the Seller to be (after that payment) in the same after-tax position as it would have been if such withholding or deduction had not been made, within the limit of the sums so recovered by the Purchaser.

If the increase referred to above is contrary to any applicable law, the Purchaser and the Centralising Unit, acting in the name and on behalf of the Sellers, shall work together as soon as possible and in good faith to seek a solution acceptable to the parties.

If no suitable agreement has been reached within thirty (30) calendar days following the coming into force of such deduction or withholding of tax, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth day after such deduction or withholding comes into force. The parties hereby agree that during the thirty-day period provided in the foregoing sentence, no Purchasable Receivables shall be sold to the Purchaser by the Sellers concerned by such deduction for or on account of tax or by all the Sellers if such deduction for or on account of tax relates to the Centralising Unit, on a Funded Settlement Date.

14.2. Each Seller shall bear any value added tax or similar tax (a "VAT PAYMENT") to which any transaction contemplated under the Securitisation Transaction may be subject or give rise towards any party having entered into the Securitisation Transaction (other than the Sellers and the Centralising Unit); and each Seller shall fully indemnify the Purchaser or any party having entered into the Securitisation Transaction (other than the Sellers or the Centralising Unit), from and against any losses or liabilities which any of them may properly incur or otherwise suffer as a result of any delay in paying or omission to pay such value added tax or similar tax.

If a Seller makes a VAT Payment and a credit against, relief or remission for, or repayment of taxes is attributable to that VAT Payment (a "VAT CREDIT"), the Purchaser shall use reasonable efforts to obtain the repayment of such VAT Credit, and once the Purchaser has obtained the repayment of such VAT Credit, the Purchaser shall transfer such amount to the relevant Seller so that the Seller will be (after that payment) in the same after-tax position as it would have been in had the VAT Payment not been made by the Seller, and within the limit of the sums actually paid to the Purchaser under the repayment of such VAT Credit.

14.3. In the event of any Insolvency Proceedings opened against any German Seller, if the insolvency administrator is involved in the enforcement of any pledge over the Collection Account(s) for the benefit of the Purchaser and if such insolvency administrator is entitled to claim a deduction of fees ("ENFORCEMENT FEES") from the credit balance recorded on such Collection Account(s) at the date of institution of such Insolvency Proceedings, the relevant German Seller and/or the Centralising Unit shall pay to the Purchaser any sums corresponding to such Enforcement Fees.

14.4 In the event that the Purchaser, a Liquidity Bank, the Issuers, the Management Company, the Custodian, the Fund, the Depositor or the Agent (each a "TAX INDEMNIFIED PARTY") has to bear any new tax or withholding tax or any other tax related charge not yet in force on any sum which it owes and in relation to the Securitisation Transaction, the Centralising Unit, acting in the name and on behalf of the Sellers, undertakes to indemnify such Tax Indemnified Party up to the amount of this new taxation or withholding tax or other tax charge, in the currency in which such deduction, withholding or other tax charge must be paid.

In the event that any payment is made by the Centralising Unit to the Purchaser pursuant to this Article 14.4, the Purchaser shall use reasonable efforts to recover any tax credit that it may be entitled to on account of such new tax and shall remit to the Centralising Unit any amounts so recovered up to the amount necessary for the Seller to be (after that payment) in the same after-tax position as it would have been if such new tax had not been paid, within the limit of the sums so recovered by the Purchaser.

14.5 In the event that any Tax Indemnified Party (including, in particular, the Purchaser) has incurred any losses or liability resulting from or in relation to any recourse by the any German tax administration against the Purchaser with respect to any Sold Receivable, the relevant German Seller shall indemnify such Tax Indemnified Party up to the amount of such losses or liability incurred and in the currency in which such loss or liability has been incurred, provided that the recourse by such German tax administration against the Purchaser is based on section 13c of the German VAT Act or on any related or equivalent provision of German law.

14.6 Nothing in this Article 14 shall be construed so as to oblige the Purchaser to bear costs and expenses of whatever nature or to disclose confidential information relating to, inter alia, the organisation of its activities nor affect in any way its right to organise its tax affairs in a manner which it considers most beneficial.

ARTICLE 15. CHANGES IN CIRCUMSTANCES

15.1 If, as a result of (i) the implementation after the Closing Date of this Agreement of any change in the applicable laws, regulations, accounting standards or regulatory requirements or any change in the interpretation or application of the aforementioned and/or (ii) the implementation after the Closing Date of this Agreement of any applicable directive, request or requirement (whether or not having the force of law) of any central bank, self-regulating organisation, governmental, fiscal, monetary or other authority (including inter alia directives, requests, instructions, accounting standards or requirements which affect the manner in which any bank is required to maintain equity capital (own funds), taking into account its assets, liabilities, contingent liabilities or commitments):

- (i) the cost of the Purchaser, a Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent making available, agreeing to make available, maintaining or funding any Payment and/or assuming or maintaining their Commitment or otherwise giving effect to this Agreement shall be increased; and/or
- (ii) any sum received or receivable by the Purchaser, a Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent under the Transaction Documents shall be reduced (except for tax imposed on the general income of the Purchaser or default of a Debtor under any Sold Receivables); and/or
- (iii) the Purchaser, the Liquidity Bank, any Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent shall become liable to make any payment on account of tax (except for tax imposed on its general income), or shall be compelled or obliged to forego any interest or other return, on or calculated by reference to the Commitment or any Payment under this Agreement;

as soon as such event has occurred and provided that such information is publicly available, the Purchaser, the Liquidity Bank, the Issuer, the Management Company, the Custodian, the Fund, the Depositor or the Agent shall be entitled to claim from the Centralising Unit, acting as the case may be on its own behalf or on behalf of the Sellers, an indemnity equal to (a) the increased costs referred to in (i) above, and/or (b) the reduction referred to in (ii) above and/or (c) the amount referred to in (iii) above. To this effect, the Purchaser shall give notice to the Centralising Unit, by delivering to the latter a certificate specifying in sufficient detail the occurrence of the changes in circumstances and, if possible, the estimated amount and the actual amount and the reason(s) for the indemnity payable under this Article.

15.2 In the event of any dispute as to the amount of such an indemnity, the Purchaser and the Centralising Unit acting in the name and on behalf of the Sellers, shall work together as soon as possible and in good faith to seek a solution acceptable to the parties; in the event of a dispute, such indemnity shall nevertheless be paid by the Centralising Unit, acting on its own behalf and on behalf of the Sellers, who shall make the payment of such indemnity forthwith following receipt of the notice sent by the Purchaser.

If no suitable agreement has been reached within thirty (30) calendar days following the coming into force of such event, the Commitment Expiry Date shall be deemed to have occurred on the thirtieth day after such an event. The parties hereby agree that during the

thirty-day period provided in the foregoing sentence, no Purchasable Receivables shall be sold to the Purchaser on a Settlement Date.

CHAPTER VIII - ORDER OF PRIORITY - PAYMENTS

ARTICLE 16. ORDER OF PRIORITY DURING THE AMORTISATION PERIOD

16.1. On each Settlement Date during the Amortisation Period, the Purchaser shall apply the Distributed Amounts, in the following order:

1. to the payment of any of the following sums that are due and payable on such date in accordance with the provisions of the Master Senior Deposit Agreement:
 - 1.1. the Margin due to ESTER FINANCE;
 - 1.2. the Immobilisation Indemnity due pursuant to article 8.1 of the Master Senior Deposit Agreement;
 - 1.3. the Deposit Fee due pursuant to article 8.2 of the Master Senior Deposit Agreement;

until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 1. to be paid on the next Funded Settlement Date, calculated prorata temporis, shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and shall be reserved by the Purchaser in order to be paid on such Funded Settlement Date;

2. to the payment of any sum due and payable prior to such date, by the Sellers or the Centralising Unit to the Purchaser under the Transaction Documents and which remains unpaid on such date, until its full repayment;
3. to the payment of any sum due and payable in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement and, *pari passu*, in respect of the Complementary Deposit, in accordance with the provisions of the Master Complementary Deposit Agreement, until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 3., due in respect of the Purchaser's Funding and to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;

4. to the payment to the Centralising Unit of any amount equal to the Excess Forseen Collections, outstanding as of the last Settlement Date before being reduced to zero (unless otherwise reimbursed);
5. to the payment of any outstanding Deferred Purchase Price to be made pursuant to the provisions of each Receivables Purchase Agreement;
6. to the repayment of the Subordinated Deposit.

16.2. On each Settlement Date during the Amortisation Period, if any Seller and/or the Centralising Unit fail(s) to make a payment when due under the Transaction Documents in respect of the Adjusted Collections and, pursuant to the provisions of Article 21.3, the collection mandate given to the Sellers has been terminated, the Purchaser shall apply the Distributed Amounts, in the following order:

1. to the payment of any sums due and payable on such date in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement, as follows:
 - 1.1. the Margin due to ESTER FINANCE;
 - 1.2. the Immobilisation Indemnity due pursuant to article 8.1 of the Master Senior Deposit Agreement;
 - 1.3. the Deposit Fee due pursuant to article 8.2 of the Master Senior Deposit Agreement;

until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 1. to be paid on the next Funded Settlement Date, calculated prorata temporis, shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;

2. to the payment of any sum due and payable prior to such date, by the Sellers or the Centralising Unit to the Purchaser under the Transaction Documents and which remains unpaid on such date, until its full repayment;
3. to the payment of any sum due and payable in respect of the Purchaser's Funding, up to an amount equal to the sum due under the Transaction Documents in respect of the Adjusted Collections and which any Seller and/or the Centralising Unit has failed to pay (the "PRIORITY AMOUNT");

provided that on each Intermediary Settlement Date, the sums referred to in this point 3. to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and be reserved by the Purchaser in order to be paid on such Funded Settlement Date;

4. to the payment of any sum remaining due and payable in respect of the Purchaser's Funding, in accordance with the provisions of the Master Senior Deposit Agreement and, *pari passu*, in respect of that portion of the Complementary Deposit that exceeds the Priority Amount, in accordance with the provisions of the Master Complementary Deposit Agreement, until their full payment;

provided that on each Intermediary Settlement Date, the sums referred to in this point 4., due in respect of the Purchaser's Funding and to be paid on the next Funded Settlement Date shall be excluded from the Distributed Amounts available on such Intermediary Settlement Date and reserved by the Purchaser in order to be paid on such Funded Settlement Date;

5. to the repayment of any residual sum due in respect of the Complementary Deposit;
6. to the payment to the Centralising Unit of any amount equal to the Excess Forseen Collections, outstanding as of the last Settlement Date before being reduced to zero (unless otherwise reimbursed);
7. to the payment of any Deferred Purchase Price to be made pursuant with the provisions of each Receivables Purchase Agreement;
8. to the repayment of the Subordinated Deposit.

ARTICLE 17. PAYMENTS

17.1 For the purpose of the payment of any sum due under this Agreement, the Agent, the Purchaser, each Seller and the Centralising Unit acting, as the case may be, on its own behalf or on behalf of the Sellers, expressly agree to use exclusively the following bank accounts:

- (i) the Purchaser's Account;
- (ii) the Centralising Unit's Account;
- (iii) the Collection Accounts;
- (iv) the Purchaser's Collection Accounts; and
- (v) the Agent's Account.

The parties hereunder acknowledge that such accounts shall be used exclusively for the purposes and in accordance with the terms of this Agreement.

17.2 The Euro is the currency of payment for each and every sum due at any time under the Transaction Documents.

17.3 The Purchaser shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Centralising Unit on its behalf or on behalf of the Sellers under the Transaction Documents and (ii) any amount due and payable by the Centralising Unit on its behalf or on behalf of the Sellers to the Purchaser under the Transaction Documents.

The Centralising Unit, acting on its behalf or on behalf of the Sellers, shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Centralising Unit on its behalf or on behalf of the Sellers under the Transaction Documents and (ii) any amount due and payable by the Centralising Unit on its behalf or on behalf of the Sellers to the Purchaser under the Transaction Documents.

17.4 For the purposes of this Article, any payments falling due on a day which is not a Business Day shall instead fall due on the following Business Day.

17.5 The Centralising Unit acting, as the case may be, on its own behalf or on behalf of any Seller, shall give to its bank before 12.00 (noon) on the Business Day following each Calculation Date, an irrevocable instruction to transfer (ordre de virement irrevocable), from the Centralising Unit's Account to the Purchaser's Account, any amount due to the Purchaser on such Funded Settlement Date or on such Intermediary Settlement Date in accordance with the Transaction Documents, to be credited with immediately available funds, before 12.00 (noon), on the said Funded Settlement Date or Intermediary Settlement Date.

The Purchaser shall give to its bank one Business Day before each Funded Settlement Date or each Intermediary Settlement Date, before 10.00 am, an irrevocable instruction to transfer (ordre de virement irrevocable), from the Purchaser's Account to the Centralising Unit's Account, any amount due, as the case may be, to the Centralising Unit on such Funded Settlement Date or on such Intermediary Settlement Date, in accordance with the Transaction Documents, to be credited with immediately available funds, before 12.00 (noon), on the said Funded Settlement Date or on the said Intermediary Settlement Date.

17.6 The Centralising Unit acting, as the case may be, on its own behalf or on behalf of any Seller, shall give to CALYON, acting as holder of the Centralising Unit's bank account, at least two (2) Business Days before the Settlement Date immediately after the date on which the Parties listed below become a Party to this Agreement, irrevocable orders to pay on the such Settlement Date, before any other debit on such Centralising Unit's bank account and within the limits of the sums credited on the Centralising Unit's bank account by the Purchaser on the such Settlement Date:

- to CALYON, acting on its own behalf and on behalf of its legal counsel (Gide Loyrette Nouel);
- to NBP, acting on its behalf and on behalf of its legal counsel (Allen & Overy);
- to KBC Bank, acting on its behalf and on behalf of its legal counsel;
- to each Issuer and Liquidity Bank, each acting on their own behalf and on behalf of their legal counsel;
- to the Agent, to Eurofactor AG and to INTESA MEDIOFACTORING S.p.A;

any structuring, arranger and legal fees, costs and expenses (including any up-front fees as a result of the putting in place of an Italian Back Up Servicer) due to each of the above and to their respective legal counsel.

17.7 Any default by the Centralising Unit acting, as the case may be, on its own behalf or on behalf of any Seller, in the fulfilment of its payment obligations under this Agreement shall automatically entitle the Purchaser, without having to give prior notice, to receive interest on any amounts payable and remaining unpaid (excluded), calculated from the date when such payment was due (included) until the date of actual payment, at a rate of EURIBOR 1 month + 2% per annum payable on the date of actual payment (excluded).

CHAPTER IX - PURCHASE OF PURCHASABLE RECEIVABLES

ARTICLE 18. CONDITIONS IN RELATION TO ANY PURCHASE OF PURCHASABLE RECEIVABLES

18.1 Conditions precedent in relation to any purchase of Purchasable Receivables

The Purchaser shall not be obliged on any Settlement Date during the Replenishment Period, to purchase from any Seller, Purchasable Receivables unless each of the following conditions have been fulfilled on such Settlement Date:

- (i) the representations and warranties made by the Seller and the Centralising Unit referred to in Article 11 (Representations and Warranties) remain valid and accurate on such Settlement Date;
- (ii) the Centralising Unit has transmitted the Assessment Report to the Agent and delivered the List of Purchasable Receivables to the Purchaser on the Information Date immediately preceding such Settlement Date;
- (iii) the amount of the Subordinated Deposit, the Complementary Deposit and any Increase in the Subordinated Deposit and any Increase in the Complementary Deposit applicable on such Settlement Date, has been recorded on the debit balance of the Current Account;
- (iv) the Payment to be made and the Transfer Deeds to be delivered pursuant hereto do not violate any law or regulation in force on such Settlement Date;
- (v) such Settlement Date is not later than the Commitment Expiry Date;
- (vi) the Purchaser has received to its satisfaction, on or before such Settlement Date, (a) an Auditors Certificate in relation to the Sellers and the Centralising Unit, not older than six (6) calendar months, and (b) a Solvency Certificate in relation to the Centralising

Unit, to the French Seller, to the German Sellers, to the Italian Seller and to the Spanish Seller, not older than three (3) calendar months;

- (vii) no Early Amortisation Event has occurred on such date;
- (viii) the selection of the Purchasable Receivables to be purchased from the Sellers by the Purchaser has been carried out in accordance with the selection procedure set forth in Article 12.3.1; and
- (ix) the Centralising Unit, acting on behalf of the Sellers, has transferred the Adjusted Collections to the Purchaser, to the extent required by Article 23 (Application of payments and payments of collections).

18.2 Conditions subsequent to any Purchase of Purchasable Receivables on a Settlement Date during the Replenishment Period

In the event that any of the following conditions have not been fulfilled on any Settlement Date during the Replenishment Period, such a failure shall constitute an automatic and immediate termination (condition résolutoire de plein droit) of the assignment by the Sellers to the Purchaser of the Sold Receivables sold on such Settlement Date :

- (i) the Centralising Unit has not credited the Purchaser's Account for an amount equal to any debit balance of the Current Account in accordance with the provisions of Article 6.3.3. on such date before 12.00 (noon); or
- (ii) if such Settlement Date is a Funded Settlement Date, the Depositor has not duly made or increased the Senior Deposit in respect of its commitment to effect a Senior Deposit in accordance with and subject to the terms of the Master Senior Deposit Agreement.

ARTICLE 19. CONFORMITY WARRANTIES FOR PURCHASABLE RECEIVABLES

Each Seller represents and warrants to the Purchaser that, as of the Assessment Date relating to the Settlement Date on which a Purchasable Receivable shall be sold, such Purchasable Receivable (other than a Net Miscellaneous Receivable or with respect to the Initial Settlement Date a Defaulted Receivable) shall exist, and, to its knowledge, except as specifically identified on the Assessment Report (it being provided that even if such Purchasable Receivables are so identified, this shall be without prejudice to the rights of the Purchaser to exercise any recourse against the relevant Seller as provided for under this Agreement and, in particular, shall not prevent the Purchaser from exercising any recourse in connection with Article 28) shall conform to the characteristics specified in article 7 (Description of Purchasable Receivables) of each Receivables Purchase Agreement, with the description as it appears on the Transfer Deed and the electronic support relating to such Transfer Deed and with the characteristics specified in Schedule 13.

Each Seller and the Purchaser agree that the Conformity Warranties set out in this Article:

- (i) shall be given by each Seller to the Purchaser and shall apply to all of its Purchasable Receivables designated on any Transfer Deed and the related support;
- (ii) shall take effect upon the mere transfer by each Seller or the Centralising Unit to the Purchaser of a Transfer Deed and the related supports, in accordance with and subject to the relevant Receivables Purchase Agreement;
- (iii) shall be valid for such Purchasable Receivable on the relevant Information Date and shall remain in force until the Purchaser's Funding has been repaid in full.

ARTICLE 20. IDENTIFICATION OF THE CONTRACTUAL DOCUMENTATION FOR THE SOLD RECEIVABLES - ACCESS TO DOCUMENTS

The Parties irrevocably agree that each purchase of Purchasable Receivables carried out pursuant to this Agreement and the relevant Receivables Purchase Agreement shall entitle the Purchaser or any other agent appointed in a discretionary way by the same, solely in order to protect and/or to enforce its right in connection with the Securitisation Transaction, to access the original copies of the contractual documentation or the computer or paper information underlying the Sold Receivables and, the support listing the Sold Receivables and to make duplicate copies of such documents; provided that (i) the Purchaser or its agent shall have the right to obtain the original copies of such documents to the extent required to enforce their rights under the Transaction Documents and (ii) in respect of the Protected Debtors, the provisions of the present Article shall only apply if the conditions set forth in the Data Protection Trust Agreement are met.

Each Seller irrevocably agrees to allow the Purchaser or any other person appointed by it unrestricted access to the said documents provided that (i) such Seller has been given two (2) Business Days prior notice thereof, (ii) the Purchaser or any other person, whom the Purchaser appoints undertakes not to disclose any confidential information except where permitted in the circumstances provided for by Article 31 (Confidentiality) and (iii) in respect of the Protected Debtors, subject to the provisions of the Data Protection Trust Agreement.

The Purchaser or any other person, whom the Purchaser appoints, shall in no way be obliged to reimburse the Centralising Unit or the Sellers, for any expense incurred by the Centralising Unit or the Sellers when allowing access to use the relevant documents, nor to compensate the Centralising Unit or the Sellers for any loss which such access or use might cause, other than any loss resulting from the gross negligence (faute lourde) or willfull misconduct (dol) of the Purchaser or such other person or the breach by the Purchaser of its material obligations under the Transaction Documents.

CHAPTER X - COLLECTION OF SOLD RECEIVABLES

ARTICLE 21. COLLECTION OF SOLD RECEIVABLES

21.1 Seller's Collection Mandate

The Purchaser hereby appoints each Seller, who accepts, to act as the Collection Agent for the purposes of the collection of Sold Receivables under a Collection Mandate in accordance with the terms and subject to the conditions of this Agreement and the relevant Receivables Purchase Agreement. Each Seller hereby irrevocably renounces resigning from its role as Collection Agent for the duration of this Agreement.

In addition, the Purchaser hereby appoints the Sellers, who hereby accept to act on its behalf for the purposes of Articles 24 and 25 or where expressly provided for in this Agreement or any of the Receivables Purchase Agreements.

21.2 Collection Support

The Purchaser may request the Back-Up Servicer(s) and/or the Italian Back-Up Servicer(s) to provide the relevant Sellers with logistic support to carry out the collection of Sold Receivables with greater efficiency, provided that the Back-Up Servicer(s) and the Italian Back-Up Servicer(s) shall not be obliged to provide such logistic support. If the Centralising Unit, acting in the name and on behalf of the Sellers, accepts such offer and the relevant Back-Up Servicer(s) and/or the Italian Back-Up Servicer(s) accept(s) to provide such logistic support, it shall reimburse the Back-Up Servicer(s) and/or the Italian Back-Up Servicer(s) for any duly documented costs incurred in connection with the setting up of such logistic support.

21.3 Termination of the Collection Mandate

21.3.1. Solely in the event of:

- (i) any Early Amortisation Event under Article 13.3. (xv);
- (ii) any failure of any of the Sellers to comply with their respective obligations under Article 12.1.2 (vi), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser, or, if earlier, after a Responsible Officer becoming aware;
- (iii) entry of any Seller, the Centralising Unit, GOODYEAR DUNLOP TIRES EUROPE BV, GOODYEAR or any Material Subsidiary into Insolvency Proceedings;

- (iv) any failure by a Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to make a payment (including any deposit or transfer of Adjusted Collections to the Purchaser) when due under the Transaction Documents
 - (w) which is not remedied within two (2) Business Days, provided that such failure is due to a technical reason which affects the means of payment in the banking system used by such Seller or by the Centralising Unit and is not otherwise; covered by clause (y) below;
 - (x) which is not remedied within four (4) Business Days, where such failure arises in relation to the payment of the Management Fee or the Stand-by Fee;
 - (y) which is not a scheduled payment under the Transaction Documents and which is not remedied within two (2) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
 - (z) which is a scheduled payment (including a payment due pursuant to Article 6.3.2.) and is not otherwise covered by clause (w) or (x) above;
- (v) any restructuring of (a) a Seller leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of such a Seller, or (b) GOODYEAR DUNLOP TIRES EUROPE BV leading to GOODYEAR ceasing to hold directly or indirectly more than 50% in the share capital and voting rights of GOODYEAR DUNLOP TIRES EUROPE BV, or (c) the Centralising Unit leading to GOODYEAR DUNLOP TIRES EUROPE BV ceasing to hold directly or indirectly 100% in the share capital and voting rights of the Centralising Unit;
- (vi) any failure by any Seller or the Centralising Unit to deliver an Auditors Certificate, complying with the relevant form attached as Schedule 4 (adapted mutatis mutandis in the case of the New Seller), as provided for under Article 12.1.1 (vii) and 12.2.1 (vi), which is not remedied within fifteen (15) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
- (vii) any failure by any Seller or the Centralising Unit to deliver a Solvency Certificate, complying with the relevant form attached as Schedule 5 (adapted mutatis mutandis in the case of the New Seller), as provided for under Article 12.1.1 (xii) and 12.2.1 (vii), which is not remedied within ten (10) Business Days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof;
- (viii) any Material Indebtedness of GOODYEAR TIRES EUROPE BV or any of its subsidiaries, or GOODYEAR (a) has not been paid or repaid when due (after giving effect to any applicable grace period) or (b) has become due and payable before its stated date of payment as a result of a declared default and after the expiry of any applicable grace period, provided that, in each case, such default has not been waived pursuant to the terms of the relevant agreement;
- (ix) any change of any kind, in any Seller's or Centralising Unit's articles of association, business or assets, which would be reasonably likely to result in a Material Adverse Effect;

- (x) any representation and warranty made by any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under the Transaction Documents (other than under Article 19), or any information contained in any document delivered by any Seller or the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to the Purchaser pursuant thereto, is found to have been inaccurate on the date on which it was made or delivered, if such inaccuracy (a) is not remedied or waived accordingly within thirty (30) days after written notice received from the Purchaser or, if earlier, after a Responsible Officer becoming aware thereof, and (b) is reasonably likely to result in a Material Adverse Effect;
- (xi) there is an attachment, freezing or seizure (saisie) order against all or any material part of the property, assets or revenues of the Centralising Unit or any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV or in the event that either the Centralising Unit or any of the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV has become subject at any time to any court order or other court process having similar effect and such attachment, seizure (saisie), court order or court process remains in effect and is not discharged during a period of forty five (45) calendar days following the date on which it was served;
- (xii) the validity of the Transaction Documents or a Transfer Deed issued pursuant to the Receivables Purchase Agreement or any Payment hereunder or thereunder is successfully challenged by any enforcement order issued or judgment obtained as a result of proceedings before any court (including arbitration proceedings); or
- (xiii) (a) any of the Transaction Documents becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to their respective terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser in any material respect;
(b) a Transfer Deed becomes illegal or, cannot, for any reason whatsoever, be performed pursuant to its terms, and such illegality or inability to be performed is reasonably expected to prejudice the rights of the Purchaser;
- (xiv) any Collection Account Agreement is terminated for whatever reason and such Collection Account Agreement is not replaced by (a) a then existing Collection Account Agreement or (b) an equivalent collection account agreement that has been approved by the Purchaser, the Agent, the Issuers and the Liquidity Banks (such consent not to be unreasonably withheld or delayed);

the Purchaser may terminate the appointment of each Seller for collection of the Sold Receivables by issuing or causing any other entity it has appointed for such purpose to issue to this effect:

- (i) a letter sent by registered mail with acknowledgement of receipt to each Seller; and
- (ii) subsequently and in relation to the Italian Seller, an Italian Notice of Transfer to each of the Debtors, in accordance with the Italian Receivables Purchase Agreement, provided that the cost of delivery of any Italian Notice of Transfer is borne exclusively by the Centralising Unit, acting in the name and on behalf of the Sellers and shall be reasonable and duly documented;
- (iii) subsequently and in relation to the other Sellers, a Notice of Transfer to each of the Debtors, in accordance with the relevant Receivables Purchase Agreement, provided that the cost of delivery of a Notice of Transfer is borne exclusively by the Centralising Unit, acting in the name and on behalf of the Sellers and shall be reasonable and duly documented.

The appointment of any Seller for the purpose of the collection of any Sold Receivable shall terminate automatically on the date of receipt by the Centralising Unit, acting in the name and on behalf of the relevant Seller, of the letter referred to under (i) above. As of such date, the Seller shall forthwith transfer to the credit of the relevant Purchaser's Collection Account any amount received from the relevant Debtors relating to the Sold Receivables, in accordance with the provisions of the Collection Account Agreements.

The termination of the appointment of a Seller as collection agent shall not affect the obligations of such Seller under this Agreement or the relevant Receivables Purchase Agreement, with the exception of those relating to the collection of the Sold Receivables. Notwithstanding any other provisions of this Agreement, neither the Purchaser nor any of its agents shall, at any time other than following the termination of the collection mandate of the Sellers pursuant to this Article 21.3.1, contact or communicate with any Debtor in respect of any Sold Receivable or the Securitisation Transaction.

21.3.2. In addition, the Purchaser shall be entitled to appoint (i) a (or several) Back-Up Servicer(s) for the collection of all or part of the Sold Receivables for which a Notice of Transfer has been delivered to the relevant Debtors in accordance with Article 21.3.1 above, and (ii) an (or several) Italian Back-Up Servicer(s) for the collection of all or part of the Italian Sold Receivables for which an Italian Notice of Transfer has been delivered to the relevant Debtors in accordance with Article 21.3.1 above.

The Purchaser confirms that, as a condition precedent to its(their) appointment(s), the Back-Up Servicer(s) and the Italian Back-Up Servicer(s) have (or will have) agreed with the Purchaser to comply with the provisions of this Agreement.

Each Seller, upon being notified of the exercise of such a right by the Purchaser undertakes:

- (i) to take all steps and do all things to enable the Back-Up Servicer(s) and the Italian Back-Up Servicer(s) to take over the Seller's undertakings as collection agent(s);
- (ii) to deliver in accordance with the provisions of Article 20 (Identification of the contractual documentation for the Sold Receivables - Access to documents) and Article 31 (Confidentiality) to the Back-Up Servicer(s) and to the Italian Back-Up Servicer(s) any and all original copies of the contractual documentation or the computer information concerning the Sold Receivables as well as any other document as might be reasonably requested by the Back-Up Servicer(s) and/or the Italian Back-Up Servicer(s) in order to perform its(their) obligations as servicer(s);
- (iii) to transfer forthwith to the credit of the relevant Purchaser's Collection Account, any Actual Collections relating to Sold Receivables it may directly receive from any Debtor;
- (iv) to indemnify forthwith the Purchaser, for any reasonable costs and expenses duly evidenced and incurred by the latter in relation to the Notice of Transfer and the Italian Notice of Transfer; and
- (v) to indemnify forthwith the Purchaser, for any reasonable costs incurred by the latter due to the appointment of the Back-Up Servicer(s) and/or the Italian Back-Up Servicer(s) to act as collection agent(s), provided that the Back-Up Servicer(s) and the Italian Back-Up Servicer(s) furnishes(furnish) any documents evidencing such costs within the limits set forth in Article 27.3.

The Purchaser shall, immediately upon payment by the Centralising Unit, acting on its own behalf and on behalf of the Sellers, of all amounts owed to the Purchaser, (i) take all steps necessary to terminate any rights it may have with respect to any Collection Accounts, and (ii) if the Sellers' collection mandate has been terminated pursuant to the terms of this Article, revoke any collection mandate granted to the Back-Up Servicers, to the Italian Back-Up Servicer(s) or any other agent of the Purchaser.

21.3.3. Each of the Sellers hereby irrevocably renounces resigning from its role under the collection mandate referred to in this Article 21 for the duration of this Agreement. Such collection mandate may only be terminated in the circumstances and in accordance with the procedures provided for in the present article or, with respect to a particular Seller, if it has ceased to be a party to this agreement in accordance with the provisions herein, when all Sold Receivables originated by such Seller have been collected, repurchased in accordance with this Agreement or determined to be uncollectible.

ARTICLE 22. ASSESSMENT REPORT AND BACK-UP SERVICER REPORT

22.1. As long as a Seller acts as collection agent in respect of any Sold Receivable, such Seller shall draw up or cause to be drawn up, an Assessment Report in the form set out in Schedule 3, which shall be delivered by the Centralising Unit acting in the name and on behalf of the Sellers to the Agent on each Information Date.

22.2. In the event of the termination of the Collection Mandate, in accordance with the provisions of Article 21.3, the Purchaser or, as the case may be, the Back-Up Servicers shall draw up a Back-Up Servicer Report on each Information Date.

ARTICLE 23. APPLICATION OF PAYMENTS AND PAYMENTS OF COLLECTIONS

23.1. Application of Payments

Subject to any applicable laws and to the provisions of the Collection Account Agreements, any payment received by a Seller from any of its Debtors shall be applied first to Sold Receivables (before being applied to other obligations of such Debtor), unless the said Debtor has given express instruction otherwise.

23.2. Payment of collections

23.2.1. In so far as a Seller acts as collection agent in respect of any Sold Receivable, the Parties agree that:

- (i) during the Replenishment Period, on each Settlement Date, Adjusted Collections shall be recorded and applied in the manner provided for in Article 6;
- (ii) during the Replenishment Period, on each Funded Settlement Date, the Cash Collections Advance shall be transferred by the Centralising Unit to the Purchaser's Account before 12.00 (noon) on such Settlement Date;
- (iii) on each Settlement Date during the Amortisation Period, the Centralising Unit shall transfer to the Purchaser's Account the Adjusted Collections.

If a Seller no longer acts as collection agent in respect of any Sold Receivable, the Parties agree that the relevant Back-Up Servicer or Italian Back-Up Servicer shall transfer to each relevant Purchaser's Collection Account the Actual Collections made in relation to the Sold Receivables purchased from such Seller. Such Actual Collections shall be applied to the payments in the manner provided for in Article 6 until the Commitment Expiry Date, and thereafter, as provided for in Article 16.

23.2.2 Except as provided for in Article 23.2.1., the Sellers and the Centralising Unit shall not be required to transfer any collections to the Purchaser.

23.3. Collection Accounts

The Sellers and the Purchaser have agreed to put in place Collection Accounts in each jurisdiction in which a Seller is located in order to segregate any cash received by the Sellers, when acting in their capacity as collection agent under the foregoing provisions and the relevant Receivables Purchase Agreement.

A Collection Account Agreement shall be concluded in relation to each Collection Account.

Notwithstanding the provisions of Article 23.1 hereof and of the Collection Account Agreements, the Purchaser agrees that, in the event that the Centralising Unit provides reasonably satisfactory evidence that a payment made to any Collection Account does not relate to Sold Receivables or Retransferred Receivables (as defined in the Collection Account Agreements), the Purchaser shall promptly authorise the return of such payment to the Centralising Unit, within the limit of the credit balance of the relevant Collection Account.

ARTICLE 24. RENEGOTIATION

24.1 Authorisation to renegotiate in Insolvency Proceedings

Each Seller acting on behalf of the Purchaser may, in the context of Insolvency Proceedings relating to any Debtor (if Insolvency Proceedings apply to such Debtor), participate in the setting up of a voluntary rescheduling and may make proposals for that purpose, provided that:

- (i) it complies with its obligations under Article 26 (Obligations of care); and
- (ii) in the event that the Outstanding Amount of the Sold Receivables subject to such renegotiation exceeds 1,500,000 euro, it has obtained the prior written consent of the Purchaser to renegotiate.

24.2. Renegotiations as to amount and maturity date

The Purchaser agrees that each Seller, acting on behalf of the Purchaser, may issue Credit Notes, Year End Rebates or Commercial Discounts in accordance with its management procedures and accordingly modify the amount and Maturity Date of the Sold Receivables for which such Credit Notes, Year End Rebates or Commercial Discounts have been issued, provided that the Seller performs its obligations set forth under Article 28 (Deemed collections).

24.3. Other renegotiations

Subject to the provisions of Articles 24.1 and 24.2, the Purchaser authorises each Seller, acting in the name and on behalf of the Purchaser, to agree to new terms in relation to any Sold Receivable:

- (a) if the Purchaser expressly consents in writing;
- (b) without prior notification to or consent of the Purchaser, provided that such renegotiation:
 - (i) complies with its obligations under Article 26 (Obligations of care); and
 - (ii) does not adversely affect the rights of the Purchaser under such Sold Receivables, including any security interests, privileges and ancillary rights attached thereto; or
- (c) without prior notification to or consent of the Purchaser, if such Sold Receivable is a Defaulted Receivable.

ARTICLE 25. REPRESENTATION MANDATE

The Purchaser hereby appoints each Seller as its agent to undertake and to conduct, in the name and on behalf of the Purchaser, all proceedings in court or out of court as are necessary for the collection of the Sold Receivables, including those deeds and formalities required for such proceedings, subject to compliance with its obligations set out in Article 26 (Obligations of care). In particular, each Seller shall freely issue and conduct, in the name and on behalf of the Purchaser, all writs, pleadings, arguments, enforcement proceedings, interventions by agreement or order, defences, defences to third party proceedings, and appeals, as may be necessary in its opinion to recover the sums due under the Sold Receivables.

The Purchaser agrees that it shall intervene in any claims or proceedings initiated upon such Seller's request to assist such Seller in any claims or proceedings initiated by the latter, in the event that such Seller deems it necessary or whenever required by the applicable statutory or regulatory provisions.

Each Seller agrees that it shall intervene in any claim or proceedings initiated upon the Purchaser's request to assist the Purchaser in any claims or proceedings initiated by the Purchaser, in the event that the Purchaser deems it necessary or whenever required by the applicable statutory or regulatory provisions, provided that the Purchaser shall not initiate any such claim or proceeding unless (i) the collection mandate of the Sellers has been terminated pursuant to the provisions of Article 21.3 or (ii) after the Program Expiry Date, any amount remains due to the Purchaser under any of the Transaction Documents.

Furthermore, the Purchaser authorises each Seller to issue, as appropriate, a subrogation receipt to any third party in return for any full and irrevocable payment made by that third party in substitution for any Debtor.

Any expenses incurred by each Seller in carrying out its mandate shall be borne exclusively by such Seller.

ARTICLE 26. OBLIGATIONS OF CARE

Each Seller undertakes to act in the collection of the sums due under the Sold Receivables in accordance with the standards of a prudent and informed businessman, and to be no less diligent than it would be in collecting sums due under its own receivables, and in particular:

- (i) to apply to the collection of the sums due under the Sold Receivables, procedures that comply in all material respects with all applicable laws and regulations and the contracts underlying the Sold Receivables;
- (ii) to take such measures as may reasonably be required to ensure that all security interests, rights, claims, privileges and other benefits (droits accessoires) attached to the Sold Receivables, remain in force and are exercised in a timely fashion;
- (iii) to take such steps as are reasonably necessary to oppose any claim challenging the existence, validity, amount or maturity of the Sold Receivables or the security interests, rights, claims, privileges and other benefits attached thereto, if any;
- (iv) to take such steps, including without limitation any legal actions such as proceedings in court, as may be reasonably necessary and appropriate for the collection of the sums due under the Sold Receivables; and
- (v) to take such steps to cause any attachment, seizure (saisie) or any other enforcement measure levied or applied against any accounts where the sums due pursuant to the collection of Sold Receivables are received, to be released or withdrawn within thirty (30) calendar days.

ARTICLE 27. COMMISSION FOR AND COSTS OF COLLECTION

27.1. The Parties agree that the Sellers to whom such tasks are delegated shall not receive a commission or remuneration for providing the collection service.

27.2. Each Seller shall bear its own costs incurred in the course of providing the collection service, without any claim against the Purchaser, for reimbursement. The termination of the mandate granted to the Sellers in Article 21 (Collection of Sold Receivables) shall not give to the Sellers any right to compensation.

27.3. In the event that a (or several) Back-Up Servicer(s) or Italian Back-Up Servicer(s) is(are) appointed to act as agent for the collection of all or part of the Sold Receivables pursuant to the terms of Article 21.3, such Back-Up Servicer(s) or Italian Back-Up Servicer(s) shall be entitled to receive from the Centralising Unit, acting on behalf of the Sellers, a fee, in accordance with the provisions of the General Servicing Agreement and the Italian Servicing Agreement. The parties acknowledge that the payment of such Stand-By Fee shall be expressly excluded from the Current Account mechanism.

In the event that the Centralising Unit fails to pay the amounts referred to under Articles 27.2 and 27.3 on any Funded Settlement Date, the Purchaser shall proceed forthwith to the payment of such amounts, on the Centralising Unit's behalf. As such, the Purchaser shall be, upon delivery of a subrogation notice (quittance subrogative) by the Back-Up Servicer(s) or the Italian Back-Up Servicer(s), subrogated in the rights of the Back-Up Servicer(s) or of Italian Back-Up Servicer(s) against the Centralising Unit to the extent of the sums paid to the Back-Up Servicer(s) or to the Italian Back-Up Servicer(s).

27.4. Stand-by servicing

27.4.1. As consideration for the preparation and putting in place of the back-up servicer procedure, each of the Stand-By Servicer and the Italian Stand-By Servicer shall be entitled to receive an up-front fee in accordance with the provisions of the General Servicing Agreement and the Italian Servicing Agreement, which shall be paid on the date hereof by the Centralising Unit. The parties acknowledge that the payment of such up-front fee shall be expressly excluded from the Current Account mechanism.

27.4.2. On each Funded Settlement Date, the Centralising Unit shall pay to each of the Back-Up Servicers and the Italian Back-Up Servicer a Stand-By Fee whose aim shall be to compensate the Back-Up Servicer/Italian Back-Up Servicer's undertaking to act as back-up servicer upon request during the term of the Agreement, in accordance with the provisions of the General Servicing Agreement and the Italian Servicing Agreement. The parties acknowledge that the payment of such Stand-By Fee shall be expressly excluded from the Current Account mechanism.

27.4.3. In the event that the Purchaser exercises any of its rights to collect sums directly from any Collection Account(s), in accordance with the relevant provisions of the Collection Account Agreement(s), the Centralising Unit shall pay to the Stand-by Servicer fees in accordance with the provisions of the General Servicing Agreement. The parties acknowledge that the payment of such fees shall be expressly excluded from the Current Account mechanism.

27.4.4 In the event that the Centralising Unit fails to pay any fees described in the present Article 27.4 on a Funded Settlement Date, the Purchaser shall proceed forthwith with the payment of such fees, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the Purchaser shall be, upon delivery of a subrogation notice by the (Italian) Back-Up Servicer(s)/(Italian) Stand-By Servicer, subrogated in the rights of the (Italian) Back-Up Servicer(s)/(Italian) Stand-By Servicer against the Centralising Unit to the extent of the sums paid to the (Italian) Back-Up Servicer(s)/(Italian) Stand-By Servicer in respect of these fees.

27.5. Data Protection Trustee

27.5.1. The Centralising Unit, acting on behalf the German Seller, shall pay to each of the Data Protection Trustee the compensation described in the Data Protection Trustee Agreement. The parties acknowledge that the payment of such compensation shall be expressly excluded from the Current Account mechanism.

27.5.2 In the event that the Centralising Unit fails to pay the compensation described in the present Article 27.5, the Purchaser shall proceed with the payment of such compensation, on the Centralising Unit's behalf to the extent of the Adjusted Collections received. As such, the Purchaser shall be, upon delivery of a subrogation notice by the Data Protection Trustee, subrogated in the rights of the Data Protection Trustee against the Centralising Unit to the extent of the sums paid to the Data Protection Trustee in respect of this compensation.

CHAPTER XI - DEEMED COLLECTIONS

ARTICLE 28. DEEMED COLLECTIONS

28.1. Upon the occurrence of any one of the following events:

- (i) the issue of any Credit Notes or Commercial Discounts as referred to in Article 24.2, in relation to any Sold Receivables;
- (ii) any contract, which gives rise to a Sold Receivable, has been terminated and the relevant goods have been billed but remain to be delivered by any Seller, in whole or in part, on the termination date of such contract;
- (iii) any set-off agreed by any Seller or by operation of law or by a court decision between debts owed to any Debtor and the Sold Receivables against such Debtor;
- (iv) any Sold Receivable has been cancelled, in whole or in part;
- (v) any Amended Invoice arises;
- (vi) the issue of any Credit Note over Snow Tires, in relation to any Sold Receivables; or
- (vii) the issue of any Year End Rebates, in relation to any Sold Receivables, unless such Year End Rebates have been cancelled or paid in cash by the relevant Seller;

the relevant Seller shall be deemed to have received the amount it would have collected if such event had not occurred (the "DEEMED COLLECTION"), provided that no Deemed Collection shall be due as a result of a Debtor's failure, independent from and beyond one Seller's control and from any of (i) through (vii) above, to make payments in respect of Sold Receivables.

Moreover, given the internal billing procedures of each Seller, it may be the case that certain Sold Receivables are declared by a Seller as being extinguished partially or completely, in an Assessment Report and/or in any electronic file attached thereto, even though such Sold Receivables have not been fully paid by their respective Debtors (the "DEEMED EXTINGUISHED RECEIVABLES"). Therefore, in order to offset the absence of any payment of cash collections arising in relation to such Deemed Extinguished Receivables, such Deemed Extinguished Receivables shall be considered as a Deemed Collection and shall be paid pursuant to Articles 28.2 and 28.3.

28.2. The relevant Sellers, the Centralising Unit and the Agent shall cooperate to determine the amount of Deemed Collections, provided that:

- (i) during the Replenishment Period, the amount of Deemed Collections shall be debited from the Current Account through the adjustment of Adjusted Collections (as provided in the definition of such term);
- (ii) during the Amortisation Period, the amount of Deemed Collections shall be transferred by the Centralising Unit to the Purchaser's Account on each Funded Settlement Date and on each Intermediary Settlement Date.

28.3. In the event that any Seller or, as the case may be, the Centralising Unit, acting in the name and on behalf of the Sellers, fails to pay any Deemed Collections as required pursuant to Article 28.2 (ii), the Purchaser may automatically set-off (a) the amount of such Deemed Collections against (b) any amount due or thereafter to become due to such Seller or, as the case may be, to the Centralising Unit, under the Transaction Documents. As soon as practicable, the Purchaser shall notify the Centralising Unit after exercise of its right of set-off.

In the event that, notwithstanding such set-off, Deemed Collections still remain unpaid, the Purchaser shall have recourse against the relevant Seller's assets or, as the case may be, against the Centralising Unit's assets, but only to the extent of the amounts remaining unpaid.

Any unpaid Deemed Collection shall remain outstanding until it has been paid in full in accordance with the present Article 28.3.

CHAPTER XII - MISCELLANEOUS

ARTICLE 29. FEES AND EXPENSES

The Centralising Unit acting in the name and on behalf of the Sellers shall reimburse the Purchaser, acting for its own account and/or as proxy for (i) any reasonable and duly documented expenses (including legal fees, costs and expenses) arising out of any modification, waiver or amendment of the Transaction Documents to which the Centralising Unit and/or the Sellers are a party and requested by the Centralising Unit, acting in the name and on behalf of the Sellers, or the Rating Agencies, (ii) any reasonable and duly documented expenses, claims, damages and liabilities (including legal fees, costs and expenses) incurred in connection with the preservation and/or enforcement of the rights of the Purchaser, the Issuers and the Liquidity Banks under the Securitisation Transaction or (iii) any reasonable and duly documented expenses (including legal fees, costs and expenses) incurred in connection with the renewal of any Liquidity Agreement and, as the case may be, in connection with the implementation of an alternative funding described in any Liquidity Bank Letter, subject to prior communication by the Purchaser to the Centralising Unit of an estimate of fees in the event that the Centralising Unit requests this estimate.

ARTICLE 30. SUBSTITUTION AND AGENCY

Each Party shall have the right to be assisted by, to appoint or to substitute for itself one or more third parties in the performance of certain tasks provided that:

- (i) such Party has given prior written notice to the other Party and, in any case, the Purchaser has notified the Rating Agencies;
- (ii) such Party remains liable to the other Party for the proper performance of those tasks and the relevant third party (parties) has (have) expressly renounced any right to any contractual claim against the other Party;
- (iii) the relevant third party (parties) undertake(s) to comply with all obligations binding upon such Party under this Agreement;
- (iv) the Rating Agencies have confirmed that the contemplated change will not entail a downgrading or withdrawal of the current rating of the Notes issued by the Issuers or that the contemplated change will reduce such downgrading or prevent such withdrawal; and
- (v) each other Party has given prior written consent to this appointment and/or substitution, such consent not to be unreasonably withheld.

ARTICLE 31. CONFIDENTIALITY

Each Party agrees to treat all information of any kind transmitted by any other Party in connection with the Securitisation Transaction as confidential. The Parties agree not to disclose such information to any other person and to ensure that their respective personnel similarly respect the confidential nature of such information.

This provision shall not prevent:

- (i) either Party from transmitting such information as may be required by its statutory auditors, public organisations or any governmental, regulatory, fiscal, or monetary institution or other authority, in so far as it is obliged to do so by the applicable laws and regulations in force;
- (ii) the Purchaser from transmitting such information to any person who will provide or will undertake to provide directly or indirectly funds to the Purchaser or any agent appointed by the Purchaser pursuant to Article 20 (Identification of the contractual documentation for the Sold Receivables - Access to Documents), provided that the Purchaser undertakes that such person shall be bound to treat such information as confidential under the same terms and subject to the same conditions as provided for in the Transaction Documents;
- (iii) the Purchaser from using any original or duplicate copy of the contractual documentation or any computer information referred to in Article 20 (Identification of the contractual documentation for the Sold Receivables-Access to documents) of this Agreement in order to take all such measures deemed necessary by the Purchaser to preserve, and/or enforce its rights under the Transaction Documents, including without limitation any legal actions;
- (iv) either Party from providing the Rating Agencies with any information they may require;
- (v) either Party from transmitting such information as may be in the public domain other than as a result of a breach of this Article or a breach of any other confidentiality obligation;
- (vi) subject to GOODYEAR's prior written consent, CALYON, the Issuers and the Liquidity Banks from using exclusively the following information: the amount involved in the Securitisation Transaction, the countries concerned, the number of Sellers, the structure of the transaction, the identity of the legal counsel involved in the Securitisation Transaction, the closing date of the Securitisation Transaction, the maturity of the Securitisation Transaction and the identity of the parties to the Securitisation Transaction; and
- (vii) the Purchaser and CALYON from transmitting such information to any other person involved in the Securitisation Transaction, provided that the Purchaser and the CALYON undertake that such person shall be bound to treat such information as confidential under the same terms and subject to the same conditions as provided for in the Transaction Documents.

This obligation to preserve confidentiality shall remain valid for ten (10) years from the Program Expiry Date.

ARTICLE 32. NOTICES

32.1. Except as otherwise set forth in the Transaction Documents, all notices, requests or communications which must or may be made pursuant to this Agreement shall be by way of writing, mail or fax.

32.2. All notices, requests or communications to be made and all documents to be delivered from one Party to the other Party under the Transaction Documents shall be made and delivered to the addressees referred to in Schedule 7 hereto (and in the case of the Sellers, to the Centralising Unit, acting in the name and on behalf of the Sellers).

32.3. All notices, requests or communications made and all documents delivered under the Transaction Documents shall only take effect upon the date of their receipt by its addressee.

32.4. Each of the Parties may at any time modify the addressee of the notices, requests or communications to be made and the documents to be delivered to it under the Transaction Documents by sending to that effect a letter or fax to the other Party indicating the name of the new addressee.

32.5. The Parties agree that the Centralising Unit shall be responsible for receiving written notice on behalf of the Sellers, and that any notice given to the Centralising Unit shall be deemed validly received by all of the Sellers upon receipt by the Centralising Unit.

32.6. The Parties agree that the Purchaser shall be responsible for receiving written notice on behalf of the Agent, the Joint Lead Arrangers and the Calculation Agent, and that any notice given to the Purchaser shall be deemed validly received by the Agent, the Joint Lead Arrangers and the Calculation Agent upon receipt by the Purchaser.

ARTICLE 33. EXERCISE OF RIGHTS - RECOURSE - NO PETITION

33.1. All rights conferred on the Purchaser by this Agreement or by any other document delivered pursuant to or incidental to this Agreement, including rights conferred by law, shall be cumulative and may be exercised at any time.

33.2. The fact that a Party does not exercise a right or delays doing so shall in no way be treated as a waiver of that right. The exercise of one right or a partial exercise shall not prevent any Party from exercising such a right in the future, or from exercising any other right.

33.3. Limited Recourse

The parties waive any right that they may have to initiate any proceeding whatsoever in relation to the contractual liability (responsabilite contractuelle) of the Purchaser, except in the case of its own gross negligence (faute lourde) or willful misconduct (dol) and agree to limit their claims and recourse against the Purchaser (including in the event of a breach by the Purchaser of any of its representations and warranties, or any of its obligations hereunder) to the amount of the Available Funds on the relevant date.

33.4. Any recourse of the Purchaser against the Sellers, the Centralising Unit or any of their respective Affiliates, directors, officers and employees in relation to the non payment by any Debtors of any sums due under the Sold Receivables, shall be limited to the amount of the Subordinated Deposit and, to the extent provided in Article 16, the Complementary Deposit.

33.5 Non Petition

The Parties irrevocably and unconditionally undertake and agree not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE, the purpose of which is the appointment of a conciliator or an ad hoc agent, or the opening of receivership proceedings or insolvency proceedings or any other similar proceedings.

ARTICLE 34. TRANSFERABILITY OF THIS AGREEMENT

This Agreement is entered into on the intuitu personae of the parties to this Agreement. It is agreed that none of the parties may transfer this Agreement, or the rights and obligations under this Agreement, to any third party whatsoever without the prior written consent of all the other parties. .

ARTICLE 35. AMENDMENT TO THE TRANSACTION DOCUMENTS

35.1 No amendment to the Transaction Documents may be made without the written consent of each other party thereto and (a) unless the Rating Agencies (i) have been informed and provided by CALYON with all necessary details they may require in respect of such contemplated amendment and (ii) have confirmed that the contemplated amendment will not entail a downgrading or withdrawal of the current ratings of the Notes issued by the Issuers, or that the contemplated amendment will reduce such downgrading or prevent such withdrawal, and (b) each Issuer and each Liquidity Bank has given its prior written consent to such amendment (such consent not being unreasonably withheld or delayed).

35.2 Without prejudice to the foregoing, the Transaction Documents may be amended with the prior consent of the Joint Lead Arrangers, the Agent, the Purchaser and the Centralising Unit, acting for itself and in the name and on behalf of each of the Sellers and Goodyear Dunlop Tires Germany GmbH and without the explicit prior written consent of the Sellers in each of the following cases:

- (i) the accession of any New Seller, provided that the conditions of Article 40 are met ;
- (ii) amendments to the definition of Eligible Receivable, Eligible Debtor, Purchasable Receivable and other definitions relating to the inclusion of cross border receivables, and amendments to related representations and warranties, provided that any such amendment shall require the explicit written consent of the Seller or Sellers that shall sell such cross border receivables;
- (iii) addition of new Liquidity Banks and Issuers to the Securitisation Documents;
- (iv) any changes to the calculation formulae of the Discount Rate and the Deferred Purchase Price under the Receivables Purchase Agreements and changes to the provisions of Article 10 above; and
- (v) any changes in Schedules 3, 11, 12, 14 and 15.

Each Seller and Goodyear Dunlop Tires Germany GmbH hereby appoints the Centralising Unit as its agent, to act in its name and on its behalf, to negotiate and execute any amendment to any of the Transaction Documents referred to above and for this purpose exempts the Centralising Unit from the restrictions of section 181 of the German Civil Code .

35.3 Moreover, the Purchaser shall not accept any amendment to any Collection Account Agreement to which it is a party without the prior written consent of the Issuers and the Liquidity Banks (such consent not to be unreasonably withheld or delayed).

The Purchaser hereby covenants to the Centralising Unit and the Sellers that none of the Securitisation Documents, to which the Centralising Unit, the Sellers, GOODYEAR DUNLOP TIRES EUROPE BV or GOODYEAR are not party, shall be amended or otherwise modified in a way adverse to the interests of the Centralising Unit, any Seller, GOODYEAR DUNLOP TIRES EUROPE BV or GOODYEAR without their prior written consent (such consent or denial thereof not to be unreasonably delayed).

ARTICLE 36. INDEMNITIES

Without limiting any other rights which the Indemnified Parties may have under the Transaction Documents or any related documents or under applicable law, each of the Centralising Unit and each Seller hereby agrees to indemnify the Purchaser, the Agent, the Joint Lead Arrangers, the Calculation Agent, the Depositor, the Issuers, the Liquidity Banks, each of their respective affiliates and each officer, director, employee and agent of any of the foregoing (each an "INDEMNIFIED PARTY") from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) (and, in each case, any value added tax thereon) in any way arising out of the Transaction Documents or any documents related to the Securitisation Transaction (excluding, however, any of the foregoing (a) to the extent resulting from the gross negligence (faute lourde) or willful misconduct (dol) on the part of such Indemnified Party or the breach by an Indemnified Party of material obligations under any Transaction Document or any related document, as finally determined by a court of competent jurisdiction), or (b) constituting recourse for Sold Receivables which are not paid or are uncollectible on account of the insolvency, bankruptcy or inability to pay of the applicable obligor) (collectively, "INDEMNIFIED AMOUNTS"), including, without limitation, any and all damages, losses, claims, liabilities, costs and expenses incurred by or asserted against any Indemnified Party as a result of:

- (a) any claims, actions, suits or proceedings commenced by any Debtor or any of its affiliates or any third party in connection with any of the Sold Receivables, the transactions out of which they arose or the goods or services the sale or provision of which gave rise to any Sold Receivables;
- (b) reliance on any representation or warranty or statement made or deemed made by or on behalf of any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV under or in connection with any Transaction Document or any related agreement or any certificate or report delivered pursuant hereto or thereto that, in either case, shall have been false or incorrect when made or deemed made;
- (c) any failure of any Seller, the Centralising Unit or GOODYEAR DUNLOP TIRES EUROPE BV to perform its duties or obligations under this Agreement or the other Transaction Documents;
- (d) any governmental investigation, litigation or proceeding related to this Agreement or in respect of any Sold Receivable;
- (e) the failure by any Seller or any of its affiliates to comply with any applicable law with respect to any Sold Receivable (or any contract by which it arose or by which it is evidenced or governed), or the nonconformity of any Sold Receivable (or such contract) with any such applicable law, or any action taken by any of the Sellers or their affiliates or agents in the enforcement or collection of any Sold Receivable;
- (f) any failure of the Purchaser to have and maintain ownership of the Sold Receivables, free and clear of any Liens other than those contemplated in the Transaction Documents, or any attempt by any person to avoid, rescind or set aside any sale of

Purchasable Receivables by any Seller to the Purchaser as contemplated by the Transaction Documents;

- (g) any dispute, claim, offset or defense (other than discharge in bankruptcy or similar defense arising from the Debtor's insolvency or inability to pay) of any Debtor to the payment of any Sold Receivable;
- (h) the failure of any Seller to pay when due any value added taxes or other taxes payable in connection with any of the Receivables or the transactions out of which they arose;
- (i) any commingling of collections on Sold Receivables with any other monies of the Seller, the Centralising Unit or any of their Affiliates;
- (j) the use by the Sellers or their Affiliates of any monies received by them in payment of the Initial Purchase Price or Deferred Purchase Price of Sold Receivables;
- (k) any products liability or environmental claim, or personal injury or property damage claim, or other similar or related claim or action of any sort whatsoever arising out of or in connection with goods, merchandise or services which relates to any Sold Receivables;
- (l) a Payment and/or a Transfer Deed ceases to achieve a perfect transfer of Purchasable Receivables as set out in the Receivables Purchase Agreement;
- (m) any Conformity Warranty for Sold Receivables made by a Seller under Article 19 (Conformity Warranties for Purchasable Receivables) (without regard to any knowledge therein) is found to have been inaccurate at the date it was made.

The Sellers and the Centralising Unit shall pay on demand to the Purchaser or, at the Purchaser's direction, to the relevant Indemnified Parties all amounts necessary to indemnify the Indemnified Parties from and against any and all Indemnified Amounts.

ARTICLE 37. INDIVISIBILITY

Each party acknowledges that this Agreement, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall form a single set of contractual rights and obligations and that, if the Master Subordinated Deposit Agreement, or the Master Complementary Deposit Agreement becomes void or ceases to be effective and enforceable for any reason whatsoever, this Agreement shall also become void or cease to be effective and enforceable accordingly. Any payment already made by the Centralising Unit acting in the name and on behalf of the Sellers or on its own behalf to the Purchaser under this Agreement, the Receivables Purchase Agreements, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall not be affected by such a nullity, ineffectiveness or unenforceability.

ARTICLE 38. EXECUTION AND EVIDENCE

38.1. The parties hereby agree that, due to the Assemblact R.C. procedure, which prevents any substitution or addition of any page, each party shall only (i) initial the first and last page of this Agreement and (ii) sign on the execution page.

38.2. The parties hereby agree not to register this Agreement with the French tax administration, although if one party elects to do so, it shall carry out such a registration at its own expense.

38.3. In accordance with Article 1325 of the French Civil Code, the Sellers, having the same interest in this Agreement, hereby agree that one executed copy of this Agreement, to be kept by the Centralising Unit, shall form title and represent the obligation of each Seller as if a separate original copy had been executed by him.

ARTICLE 39. WITHDRAWAL OF SELLERS

39.1. The Centralising Unit acting in the name and on behalf of the Sellers, may notify the Purchaser and the Joint Lead Arrangers in writing, in the form set out in Schedule 8, of any request for the withdrawal of one or more Sellers from the Securitisation Transaction and the Transaction Documents to which it is a party. Such request for withdrawal shall be examined as soon as possible and shall be subject to the following conditions:

- (i) confirmation by the Rating Agencies that such withdrawal shall not entail a deterioration or withdrawal of the current rating of the Notes issued by the Issuers;
- (ii) the obtaining of the prior written consent of each Liquidity Bank;
- (iii) the conclusion of any amendment to the Transaction Documents, necessary in the Purchaser's opinion; and
- (iv) the signature by the Seller or Sellers of any document or agreement enabling the relevant Seller to withdraw as a party to this Agreement and the relevant Receivables Purchase Agreement. The parties agree that such Seller or Sellers shall not be bound by any new obligations in respect of this Agreement and the relevant Receivables Purchase Agreement(s), without prejudice to the obligations arising before such Seller(s) withdrawal from this Agreement and the relevant Receivables Purchase Agreement(s).

39.2. The withdrawal of any Seller or Sellers shall (i) be requested by the Centralising Unit at least two (2) calendar months before the date contemplated for the withdrawal of such Seller(s) and (ii) take effect on the first Funded Settlement Date following the fulfilment of the foregoing conditions precedent. The parties agree that each Joint Lead Arranger shall use its best efforts (dans le cadre d'une obligation de moyens) to respond as soon as possible.

39.3. Any reasonable and duly documented cost (including legal fees) and commissions incurred by the Purchaser and/or the Joint Lead Arrangers in connection with the withdrawal of one or more Sellers shall be borne by the Centralising Unit acting in the name and on behalf of the Sellers. The parties agree that prior to notification by the Centralising Unit to the Purchaser of the request for the withdrawal of such Sellers, the Centralising Unit shall be entitled to request the Purchaser to indicate the costs to be borne in connection with such withdrawal. The Purchaser shall respond within ten (10) calendar days following such request, after which the Centralising Unit shall have five (5) calendar days to notify the Purchaser of its acceptance or refusal of such costs.

ARTICLE 40. ACCESSION OF NEW SELLERS

40.1 By way of exception to Article 35, the parties hereby agree that in the event of the accession of a New Seller to this Agreement, the Purchaser, acting for itself and in the name and on behalf of each of the Joint Lead Arrangers and the Agent, who hereby authorize the Purchaser to enter into the relevant accession agreement and for this purpose exempt the Purchaser from the restrictions of section 181 of the German Civil Code (BürgerlichesGesetzbuch - BGB) and similar restrictions under the laws of other jurisdictions and the Centralising Unit, acting for itself and in the name and on behalf of each of the Sellers and Goodyear Dunlop Tires Germany GmbH, who hereby authorize the Centralising Unit to negotiate and enter into the relevant accession agreement and for this purpose exempt the Centralising Unit from the restrictions of section 181 of the German Civil Code (BürgerlichesGesetzbuch - BGB) and similar restrictions under the laws of other jurisdictions, may agree to such accession by letter and in writing, subject to prior written notification by the Centralising Unit, duly authorized for the purposes hereof, to the Purchaser of this accession in the form set out in Schedule 8.

40.2 The accession of the New Seller shall take effect on the Settlement Date immediately following provided that the following conditions are met:

- (i) the New Seller is an entity in which GOODYEAR DUNLOP TIRES EUROPE BV holds directly or indirectly more than 50% of the share capital and voting rights and as such exercises effective control within the meaning of Article L.511-7.3 of the Monetary and Financial Code;
- (ii) the receipt by the Purchaser from (a) the Centralising Unit of evidence of the necessary corporate authorisations to cause the accession of the New Seller to this Agreement and (b) the New Seller of all the documents referred to in Article 5 in order to enable the accession of the New Seller to this Agreement and the relevant Receivables Purchase Agreement;
- (iii) the receipt by the Purchaser of evidence that the existing Sellers are bound by the accession of the New Seller as a Seller under this Agreement and by the resulting amendments to the Securitisation Documents negotiated and executed on their behalf by the Centralising Unit in accordance with Article 35.2;
- (iv) the receipt by the Purchaser, in a form satisfactory to the Purchaser, of all amendments required or necessary under the Transaction Documents in connection with the

accession of the New Seller to this Agreement and the relevant Receivables Purchase Agreement, including the signature by the New Seller of any letter, document or amendment necessary, in the opinion of the Purchaser, to enable the New Seller to accede to the General Master Purchase Agreement and the Receivables Purchase Agreement in connection with the accession of the New Seller thereto;

- (v) the prior written consent of the Liquidity Banks and, if necessary, the Rating Agencies.

40.3 Any reasonable and documented costs (including legal fees) and fees in connection with the accession of a New Seller as Seller incurred by the Issuer, the Purchaser or the Arranger shall be borne by such New Seller or the Centralising Unit acting in the name and on behalf of the New Seller.

CHAPTER XIII - GOVERNING LAW - JURISDICTION

ARTICLE 41. GOVERNING LAW - JURISDICTION

41.1. This Agreement shall be governed by French law.

41.2. Any dispute as to the validity, interpretation, performance or any other matter arising out of this Agreement shall be subject to the jurisdiction of the competent courts of Paris (Cour d'appel de Paris). The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Made in Paris,
on 10 December 2004, in seven (7) originals.

GOODYEAR DUNLOP TIRES FRANCE S.A.

represented by _____
duly authorised for the purpose of executing this Agreement

FULDA REIFEN GMBH & CO. KG

represented by _____
duly authorised for the purpose of executing this Agreement

M-PLUS MULTIMARKENMANAGEMENT GMBH & CO. KG

represented by _____
duly authorised for the purpose of executing this Agreement
GOODYEAR GMBH & CO. KG

represented by _____
duly authorised for the purpose of executing this Agreement
DUNLOP GMBH & CO. KG

represented by _____
duly authorised for the purpose of executing this Agreement
GOODYEAR DUNLOP TIRES ITALIA SPA

represented by _____
duly authorised for the purpose of executing this Agreement
GOODYEAR DUNLOP TIRES ESPANA S.A.

represented by _____
duly authorised for the purpose of executing this Agreement
GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.

represented by _____
duly authorised for the purpose of executing this Agreement

GOODYEAR DUNLOP TIRES GERMANY GMBH

represented by _____
duly authorised for the purpose of executing this Agreement

GOODYEAR DUNLOP TIRES OE GMBH

represented by _____
duly authorised for the purpose of executing this Agreement

EUROFACTOR

represented by _____
duly authorised for the purpose of executing this Agreement

ESTER FINANCE TITRISATION

represented by _____
duly authorised for the purpose of executing this Agreement

CALYON

represented by _____ and by _____
duly authorised for the purpose of executing this Agreement

NBP

represented by _____ and by _____
duly authorised for the purpose of executing this Agreement

SCHEDULE 1. MASTER DEFINITIONS SCHEDULE

"ACCOUNTING PRINCIPLES" means generally accepted accounting principles (GAAP) in the United States or any other accounting principles which may be adopted by the Centralising Unit or any of the Sellers and which apply in their relevant jurisdiction.

"ACTUAL COLLECTIONS" means all cash collections actually received by any Seller in respect of such Sold Receivables.

"ADJUSTED COLLECTIONS" means, in relation to all the Sellers and with respect to the Sold Receivables:

- (a) on the Initial Settlement Date, an amount equal to any Excess Foreseen Collections for such date;
- (b) on any Settlement Date, as long as the Sellers act as collection agents in respect of any Sold Receivables and in relation to the Seller(s) acting as collection agents and for which an Assessment Report and a List of Purchasable Receivables have been provided pursuant Article 12.2.1 (viii):
 - (i) - any File Collections between the Assessment Date relating to the preceding Settlement Date and the Assessment Date relating to such Settlement Date;
 - less any amount received on each Purchaser's Collection Account (net of any debit made on such Purchaser's Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding Collection Account) by the debiting of the Collection Accounts between the Assessment Date relating to the preceding Settlement Date and the Assessment Date relating to such Settlement Date;
 - less an amount equal to any Excess Foreseen Collections calculated with respect to the previous Settlement Date;
 - increased, if such Settlement Date is a Funded Settlement Date, by an amount equal to any Excess Foreseen Collections received in cash on the Purchaser's Account on the previous Intermediary Settlement Date;
 - increased by an amount equal to any Excess Foreseen Collections for such Settlement Date;

- less, if such Settlement Date is a Funded Settlement Date, the Cash Collections Advance calculated by the Calculation Agent for such Settlement Date and paid by the Centralising Unit on the Purchaser's Account; plus
- (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2 during the period between the last Assessment Date and the preceding Assessment Date;
- (c) on any Settlement Date other than the Initial Settlement Date, as long as the Sellers act as collection agents in respect of any Sold Receivables and in relation to the Seller(s) acting as collection agents, and for which an Assessment Report and a List of Purchasable Receivables have not been provided pursuant Article 12.2.1 (viii):
- (i) - any Actual Collections between the Assessment Date relating to the preceding Settlement Date and the Assessment Date relating to such Settlement Date;
 - less any amount received on each Purchaser's Collection Account (net of any debit made on such Purchaser's Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding Collection Account) by the debiting of the Collection Accounts between the Assessment Date relating to the preceding Settlement Date and the Assessment Date relating to such Settlement Date;
 - less an amount equal to any Excess Foreseen Collections calculated with respect to the previous Settlement Date;
 - increased, if such Settlement Date is a Funded Settlement Date, by an amount equal to any Excess Foreseen Collections received in cash on the Purchaser's Account on the previous Intermediary Settlement Date;
 - increased by an amount equal to any Excess Foreseen Collections for such Settlement Date;
 - less, if such Settlement Date is a Funded Settlement Date, the Cash Collections Advance calculated by the Calculation Agent for such Settlement Date and to the extent paid by the Centralising Unit on the Purchaser's Account; plus
- (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2 during the period between the last Assessment Date and the preceding Assessment Date;

- (d) at any time, in the event of the termination of the collection mandate given to any Seller and in relation to the Sellers for which the collection mandate has been terminated and until the Program Expiry Date:
 - (i) all cash collections received by the Purchaser which have actually been paid by the Debtors or by any other person obliged to make payment in respect of such Sold Receivables; plus
 - (ii) all Deemed Collections determined to have occurred in accordance with Article 28.2; and
- (e) at any time after the Program Expiry Date, all cash collections received by the Purchaser which have actually been paid by the Debtors or by any other person obliged to make payment in respect of such Sold Receivables.

"AFFILIATE" means, in relation to any entity, any other entity, which either directly or indirectly controls, is controlled by, or is under common control with, such an entity:

- (i) for the purposes of those entities located within the French jurisdiction, the term "control", shall have the meaning set out in Article L.233.3 of the French Commercial Code (Code de commerce); and
- (ii) for the purposes of those entities which are not located in France, the term control, shall mean the relationship between a parent company and a subsidiary as defined in Article 1 of Directive 83/349/EEC.

"AGENT" means EUROFACTOR in its capacity as agent of the transaction.

"AGENT'S ACCOUNT" means the account number 30002/00869/9E/07, opened by the Agent in the books of CALYON.

"AGREEMENT" means this general master purchase agreement, as amended and/or supplemented from time to time.

"AMENDED INVOICE" means the sums corresponding to any Sold Receivable, which has been the subject of an issued invoice, and which, in order to (i) take into account the commercial practices of the Sellers or (ii) amend any material errors appearing on such invoice, has been cancelled and replaced by a new invoice.

"AMORTISATION PERIOD" means the period of time commencing on the Commitment Expiry Date and ending on the Program Expiry Date during which no more Purchasable Receivables shall be purchased by the Purchaser in accordance with the terms and conditions of this Agreement.

"APPLICABLE LENDERS" means the lenders or other providers of funding under the European Credit Facility.

"APPLICABLE WAIVER OR AMENDMENT" means a waiver concerning, or amendment of, any of the events set forth in Article 13.3(xv) (a), (b), (c) or (d) (including the related definitions) and the corresponding provision and definitions of the European Credit Facility that is approved by any combination of the lenders under the European Credit Facility and the Liquidity Banks representing more than 50% of the aggregate amount of (i) all loans and unused commitments under the European Credit Facility plus (ii) commitments pursuant to Liquidity Agreements to provide the outstanding amount of the Purchaser's Funding, in each case as of the date of such approval.

"ASSESSMENT DATE" means each of the dates identified as such in Schedule 11.

"ASSESSMENT REPORT" means the assessment report drawn up on each Information Date as of the preceding Assessment Date in accordance with Article 22, substantially in the form of Schedule 3 or as modified by mutual agreement between the Centralising Unit, the Purchaser, and the Agent.

"AUDITORS CERTIFICATE" means the certificate issued by the Sellers' statutory auditors (commissaires aux comptes) and the Centralising Unit's statutory auditors for the benefit of the Purchaser, as set out in the form of Schedule 4.

"AVAILABLE FUNDS" means, on any date, and with regard to the Securitisation Transaction, any sums received by or on behalf of the Purchaser and required to be held by or on behalf of the Purchaser or paid to the Centralising Unit, the Sellers or GOODYEAR DUNLOP TIRES EUROPE BV pursuant to the Securitisation Transaction after the allocations of funds, and subject to the order of priority, provided for under Article 16.

"BACK-UP SERVICER" means EUROFACTOR and/or any entity appointed by the Purchaser to replace or assist the Sellers in the collection and servicing of the Sold Receivables held by any French, German and/or Spanish Debtors.

"BACK-UP SERVICER REPORT" means the assessment report to be drawn up, as the case may be, by the Back-Up Servicer on each Information Date.

"BILL OF EXCHANGE" means any negotiable instrument in the form of a bill of exchange (lettre de change, effet de commerce, letra de cambio) or promissory note (billet a ordre, pagare) or, in the case of any German Seller, any bills of exchange (gezogene Wechsel) issued by such German Seller (with full liability) and accepted by the relevant debtor and blank-endorsed by such German Seller at a place in Germany or promissory notes (eigene Wechsel) issued and accepted by the relevant debtor and blank-endorsed by such German Seller at a place in Germany (with full liability), provided that (i) any such, bill of exchange has been issued pursuant to the German Bills of Exchange Act (as in effect on the relevant purchase date), and complies with all requirements as to form under the German Bills of Exchange Act (formell ordnungsgemab Wechsel) and is free of any corrections; (ii) the currency of the Bill of Exchange is Euro; (iii) the Bill of Exchange is fully enforceable against the relevant debtor, freely transferable, and free from any liens or other rights of third parties, or their Italian equivalent issued by a Seller in connection with any Purchasable Receivables.

"BUSINESS DAY" means any day other than a Saturday or a Sunday on which banks are open for business in Paris, Brussels, Madrid, Frankfurt, Rome, London, Jersey and New York and which is a TARGET Day.

"CALCULATION AGENT" means CALYON.

"CALCULATION DATE" means each of the dates identified as such in Schedule 11 and on which, in particular, the Agent shall make the calculations specified in Article 12.3.

"CALYON" means a French limited company (societe anonyme) authorised as a credit institution (etablissement de credit) and having its registered office at at 9 quai du President Paul Doumer, 92920 Paris La Defense Cedex, France, registered with the Companies Registry of Nanterre (Registre du Commerce et des Societes de Nanterre) under the number 304 187 701.

"CASH COLLECTIONS ADVANCE" means an amount equal to the aggregate amount of the Assignment Costs (as defined in point 2 of schedule 3 of the French Receivables Purchase Agreement, point 2 of schedule 4 of the German Receivables Purchase Agreement, point 2 of schedule 3 of the Italian Receivables Purchase Agreement, and/or point 2 of schedule 5 of the Spanish Receivables Purchase Agreement).

"CENTRALISING UNIT" means GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V. which shall act on behalf of the Sellers in relation to the implementation of the Securitisation Transaction.

"CENTRALISING UNIT'S ACCOUNT" means the account number 31489 00010 00218477562 / 47 opened by the Centralising Unit in the books of CALYON.

"CLOSING DATE" means 10 December, 2004.

"COLLECTION ACCOUNT" means any collection account opened in any of the jurisdictions concerned by the Securitisation Transaction held by any Seller and/or the Purchaser and which is governed by and/or subject to the relevant Collection Account Agreement.

"COLLECTION ACCOUNT AGREEMENT" means any of the following agreements and the related pledge for each jurisdiction in which a Seller party hereto is located, and, in particular,

(a) in relation to France

- two co-ownership bank account agreements (each a "CO-OWNERSHIP BANK ACCOUNT AGREEMENT") (Conventions de Compte Indivis) concluded on 10 December, 2004 between Goodyear Dunlop Tires France S.A., Ester Finance Titrisation, the relevant account bank and Eurofactor governed by French law;
- the co-ownership agreement ("CO-OWNERSHIP AGREEMENT") (Convention d'Indivision) concluded on 10 December, 2004 between Goodyear Dunlop Tires France S.A., Ester Finance Titrisation, Calyon and Eurofactor governed by French law;

- three pledges over the share of the credit balance of the co-owned account (each a "PLEDGE OVER THE SHARE OF THE CREDIT BALANCE OF THE CO-OWNED ACCOUNT") (Nantissement sur la Quote Part du Solde du Compte Indivis) concluded on 10 December, 2004 between Goodyear Dunlop Tires France S.A. and Ester Finance Titrisation governed by French law;
- (b) in relation to Germany
- the collection account pledge agreement (the "GOODYEAR COLLECTION ACCOUNT PLEDGE AGREEMENT") concluded on 10 December, 2004 between Goodyear GmbH & Co KG, Ester Finance Titrisation, Eurofactor and Calyon and governed by German law;
 - the collection account pledge agreement (the "FULDA COLLECTION ACCOUNT PLEDGE AGREEMENT") concluded on 10 December, 2004 between Fulda Reifen GmbH & Co KG, Ester Finance Titrisation, Eurofactor and Calyon and governed by German law;
 - the collection account pledge agreement (the "DUNLOP COLLECTION ACCOUNT PLEDGE AGREEMENT") concluded on 10 December, 2004 between Dunlop GmbH & Co KG, Ester Finance Titrisation, Eurofactor and Calyon and governed by German law;
 - the collection account pledge agreement (the "M-PLUS COLLECTION ACCOUNT PLEDGE AGREEMENT") concluded on 10 December, 2004 between M-Plus Multimarkenmanagement GmbH & Co. KG, Ester Finance Titrisation, Eurofactor and Calyon and governed by German law;
 - the collection account pledge agreement (the "GOODYEAR OE COLLECTION ACCOUNT PLEDGE AGREEMENT") concluded on or about 1 July, 2005 between Goodyear Dunlop Tires OE GmbH, Ester Finance Titrisation, Eurofactor and Calyon and governed by German law;
 - in relation to each German Collection Account Pledge Agreement, a side letter agreement (the "GERMAN SIDE LETTER") concluded between each relevant account bank, Ester Finance Titrisation and the relevant German Seller;
- (c) in relation to Italy
- the Mandate Agreement concluded on 10 December, 2004 between Goodyear Dunlop Tires Italia S.p.A, Ester Finance Titrisation and the Agent governed by Italian law;
 - each of the three (3) Pledge Agreements over the the Balance of the Collection Account concluded on 10 December, 2004 between Goodyear Dunlop Tires Italia S.p.A, Ester Finance Titrisation and each account bank, governed by Italian law;
 - in relation to each Pledge Agreement over the Balance of the Collection Account, a side letter agreement, (the "ITALIAN SIDE LETTER") concluded between each relevant account bank, Ester Finance Titrisation and the Italian Seller;

(d) in relation to Spain

- the Agreement for the Administration and the Operation of a Current Account with Restricted Availability (the "CURRENT ACCOUNT AGREEMENT") concluded on 10 December, 2004 between Goodyear Dunlop Tires Espana S.A., Ester Finance Titrisation, the account bank, Eurofactor and Calyon governed by Spanish law;
- the pledge over the share of the balance of the current account and of the current account (the "PLEDGE OVER THE SHARE OF THE BALANCE OF THE CURRENT ACCOUNT AND OF THE CURRENT ACCOUNT") concluded on 10 December, 2004 between Goodyear Dunlop Tires Espana S.A., Ester Finance Titrisation, the account bank and Calyon governed by Spanish law.

"COLLECTION MANDATE" means the mandate granted by the Purchaser to the Sellers pursuant to Article 21.1.

"COMFORT LETTER" means the comfort letters granted by GOODYEAR DUNLOP TIRES EUROPE BV in the form set out in Schedule 10.

"COMMERCIAL DISCOUNT" means, in relation to any Sold Receivable, any decrease in the face value of such receivable resulting from the granting of a discount for prompt payment, for quantity or as fidelity premium.

"COMMITMENT" means the commitment of the Purchaser to purchase Purchasable Receivables from the Sellers, in accordance with this Agreement and the Receivables Purchase Agreements, subject to the conditions precedent and conditions subsequent set forth hereunder and thereunder.

"COMMITMENT EXPIRY DATE" means the earliest of the following dates:

- (i) upon title occurrence of a Liquidity Commitment Non Renewal in relation to all Liquidity Agreements, the expiry of all Liquidity Agreements;
- (ii) the Business Day immediately preceding the fifth (5 degrees) anniversary date of the Initial Settlement Date; and
- (iii) the date on which the Commitment is terminated in accordance with Articles 7.1.2., 13,14 and 15.

"COMPLEMENTARY DEPOSIT" means any complementary deposit effected by the Centralising Unit with the Purchaser in accordance with the terms of Article 9 and the Master Complementary Deposit Agreement.

"CONFORMITY WARRANTIES" means the warranties given by each Seller to the Purchaser in accordance with Article 19 (Conformity Warranties).

"CREDIT NOTE" means, in relation to any Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by any Seller in accordance with its management procedures, other than a Credit Note over Snow Tyres and a credit note resulting from Year End Rebates.

"CREDIT NOTE OVER SNOW TYRES" means, in relation to any Sold Receivable, any decrease in the face value of such receivable or any cancellation of such receivable granted by any Seller (i) in accordance with its management procedures and (ii) to a customer subsequent to the taking back by the said Seller of snow tyres.

"CURRENT ACCOUNT" means the current account relationship established between the Centralising Unit, acting in the name and on behalf of the Sellers and the Purchaser pursuant to the provisions of Article 6 (Current Account).

"CUSTODIAN" means CALYON, acting in its capacity as Custodian (depositaire) of the assets of the Fund within the meaning of Article L.214-48.II of the French Monetary and Financial Code (Code monetaire et financier).

"DATA PROTECTION TRUST AGREEMENT" means the agreement dated the Closing Date entered into between the German Sellers, the Agent and the Data Protection Trustee as amended on or about 23 May, 2005.

"DATA PROTECTION TRUSTEE" means EUROFACTOR AG, a stock corporation (Aktiengesellschaft) incorporated under the laws of the Federal Republic of Germany registered in the commercial registry of the Local Court (Amtsgericht) in Munchen under registration number HRB 138351.

"DEBTOR" means in relation to any sold receivable the person obligated to make payment of such a receivable.

"DEEMED COLLECTIONS" means any amount that any Seller is deemed to have received in the circumstances set out in Article 28 (Deemed Collections), and notably any Deemed Extinguished Receivables.

"DEEMED EXTINGUISHED RECEIVABLES" has the meaning set forth in Article 28 (Deemed Collections).

"DEFAULT PERCENTAGE" means on any Assessment Date preceding an Intermediary Settlement Date, the ratio expressed as a percentage of:

- (i) the sum of the Outstanding Amount of Defaulted Receivables and Doubtful Receivables that were neither Defaulted Receivables nor Doubtful Receivables as of the Assessment Date relating to the preceding Intermediary Settlement Date; and
- (ii) the Outstanding Amount of the Sold Receivables purchased by the Purchaser between the 6th Intermediary Settlement Date (excluded) before such Intermediary Settlement Date and the 5th Intermediary Settlement Date (included) before such Intermediary Settlement Date.

"DEFAULTED RECEIVABLE" means, on any Calculation Date, any Sold Receivable which, as of the preceding Assessment Date, is not a Doubtful Receivable transferred back to the Sellers and has any of the following characteristics on such Calculation Date:

- (i) the Sold Receivable remains unpaid by its relevant debtor for more than 90 days after the Maturity Date of such Sold Receivable;
- (ii) the Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Sold Receivable has been or, under the relevant Seller's credit and collection policies, would have been written off as uncollectible and has not been counted under paragraphs (i) and (ii) above.

"DEFERRED PURCHASE PRICE" means, (a) for each Funded Settlement Date during the Replenishment Period, the highest of zero and:

- the Discount Reserve for all Sellers calculated as of the previous Intermediary Settlement Date,
 - increased by the total Discount Amount for all Sellers relating to the Sold Receivables purchased on such Funded Settlement Date,
 - decreased by the Cash Collections Advance payable by the Purchaser (or directly by the Centralising Unit) on such Funded Settlement Date,
 - decreased by the total Discount Reserve for all Sellers calculated as of such Funded Settlement Date,
 - and increased quarterly by the Interest of Placement Amount, as defined in the Receivables Purchase Agreements, and
- (b) as of the Commitment Expiry Date, the Discount Reserve as of the Settlement Date immediately preceding the Commitment Expiry Date, plus any Discount Amount relating to Sold Receivables that were not included in the Deferred Purchase Price payable on the Funded Settlement Date preceding the Commitment Expiry Date;

in accordance with the formula set forth in schedule 3 of the French and German Receivables Purchase Agreement, in schedule 3 of the Italian Receivables Purchase Agreement, and in schedule 5 of the Spanish Receivables Purchase Agreement.

"DELINQUENCY PERCENTAGE" means on any Assessment Date preceding an Intermediary Settlement Date, the ratio expressed as a percentage of:

- (i) the sum of the Outstanding Amount of Delinquent Receivables and Doubtful Receivables that were neither Delinquent Receivables nor Doubtful Receivables as of the Assessment Date relating to the preceding Intermediary Settlement Date; and

- (ii) the Outstanding Amount of the Sold Receivables purchased by the Purchaser between the 5th Intermediary Settlement Date (excluded) before such Intermediary Settlement Date and the 4th Intermediary Settlement Date (included) before such Intermediary Settlement Date.

"DELINQUENT RECEIVABLE" means, on any Assessment Date, any Sold Receivable which is not a Doubtful Receivable transferred back to the Sellers and has any of the following characteristics on such Calculation Date:

- (i) the Sold Receivable remains unpaid by its relevant Debtor for more than 60 days after the Maturity Date of such Sold Receivable;
- (ii) the Sold Receivable is owed by a Debtor which is subject to Insolvency Proceedings and has not been counted under paragraph (i) above; or
- (iii) the Sold Receivable has been or, under the relevant Seller's credit and collection policies, would have been written off as uncollectible and has not been counted under paragraphs (i) and (ii) above.

"DEPOSIT FEE" means the fee due to CALYON, in the conditions set forth in article 8 of the Master Senior Deposit Agreement and which shall be paid by ESTER FINANCE "to CALYON, or any credit institution which replaces the latter for the purposes of carrying out its functions under the Master Senior Deposit Agreement, as a remuneration for its undertaking to make the Senior Deposit on a periodic basis during the Replenishment Period. It is agreed that the Deposit Fee shall be paid to CALYON, or any other credit institution which replaces the latter for the purposes of carrying out its functions under the Master Senior Deposit Agreement, even after the transfer to the Fund of receivables in repayment of the Senior Deposit.

"DEPOSITOR" means CALYON acting in its capacity as depositor pursuant to the Master Senior Deposit Agreement and any successor, transferee or assignee.

"DILUTION PERCENTAGE" means as calculated on any Calculation Date preceding an Funded Settlement Date, the ratio expressed as a percentage of:

- (i) the aggregate amount of Credit Notes issued between the Assessment Date (included) preceding the last Intermediary Settlement Date and the Assessment Date (excluded) preceding the preceding Intermediary Settlement Date; and
- (ii) the Outstanding Amount of the Sold Receivables purchased by the Purchaser between the 2nd Intermediary Settlement Date (excluded) before the last Assessment Date and the Intermediary Settlement Date (included) preceding such last Assessment Date.

"DISCOUNT AMOUNT" means, on any Settlement Date during the Replenishment Period, in relation to the Sold Receivables, the amount equal to the Discount Rate applicable on such date multiplied by the Outstanding Amount of Purchasable Receivables to be purchased by the Purchaser on such date.

"DISCOUNT RATE" has the meaning set forth in schedule 2 of the French Receivables Purchase Agreement, schedule 3 of the German Receivables Purchase Agreement, schedule 2 of the Italian Receivables Purchase Agreement, and/or schedule 4 of the Spanish Receivables Purchase Agreement.

"DISCOUNT RESERVE" has the meaning set forth in schedule 2 of the French Receivables Purchase Agreement, schedule 3 of the German Receivables Purchase Agreement, schedule 2 of the Italian Receivables Purchase Agreement, and/or schedule 4 of the Spanish Receivables Purchase Agreement

"DISTRIBUTED AMOUNTS" means, on any Settlement Date during the Amortisation Period, the sum of:

- the amount of Adjusted Collections as determined as of such date;
- the amount in the Purchaser's Account as of the last Assessment Date, within the limit of the sums in the Purchaser's Account on such Settlement; and
- the amount in each Purchaser's Collection Account (net of any debit made on such Purchaser's Collection Account, corresponding to errors, reverse entries, unpaid amounts and returns in relation to payments already made on the corresponding Collection Account) as of the last Assessment Date, within the limit of the sums in each Purchaser's Collection Account on such Settlement Date.

"DOUBTFUL RECEIVABLE" means any Sold Receivable which is, according to the Accounting Principles, doubtful given the situation of the Debtor or open to challenge.

"DOWNGRADING EVENT" means, in relation to a Liquidity Bank, the downgrading of its rating by a Rating Agency under A1 (for Moody's Investors Services), P1 (for Standard & Poors) or F1 (for Fitch Ratings).

"EARLY AMORTISATION EVENT" means any of the events set out in Article 13 (Early Amortisation).

"ELIGIBLE DEBTOR" means a Debtor having the characteristics described in detail in article 8 of each Receivables Purchase Agreement.

"ELIGIBLE RECEIVABLE" means any Sold Receivable which has the following characteristics on the Settlement Date during the Replenishment Period:

- (i) the date on which the Sold Receivable is due is not later than 150 days after the Assessment Date preceding such Settlement Date;
- (ii) the Sold Receivable has not remained unpaid by the relevant Debtor for more than 72 days after the Maturity Date of such Sold Receivable;

(iii) the debtor of such Sold Receivable has a V.A.T or a CMS identification number indicated in the electronic support attached to the relevant Transfer Deed delivered to the Purchaser in relation to such Sold Receivable and such Sold Receivable is identified on such electronic support in a manner which complies with the electronic exchange procedures agreed between the Agent, the Purchaser, the Centralising Unit and the Sellers;

(iv) the Sold Receivable is not a Net Miscellaneous Receivable.

"ESTER FINANCE" means ESTER FINANCE TITRISATION S.A., a company incorporated under French law and authorised as a credit institution (établissement de credit), having its registered office at 19, Boulevard des Italiens, 75 002 Paris, France, registered with the Companies Registry of Paris under the number 414 886 226.

"EURIBOR 1 MONTH" means the reference rate known as the "European Inter-Bank Offered Rate" in the form of the rate listed under the aegis of the European Banking Federation and published at approximately 11.00 am (Brussels time), by TELERATE (page 248 and 249) or REUTERS (page EURIBOR) (or whatever page that may be substituted therefor) for a one month period.

"EURO" OR "EUR" means the currency of the participating Member States of the European Union in accordance with the definition given under Article 109-L-4 of the European Union Treaty and in Council Regulation (EC) n. 974/98 of May 3, 1998 on the introduction of the euro.

"EUROFACTOR" means, a company incorporated under French law and authorised as a credit institution (établissement de credit) having its registered office at Tour d'Asnieres, 4 avenue Laurent Cely, 92608 Asnieres, France, registered with the Trade and Companies Registry of Nanterre under the number 642 041 560.

"EUROPEAN CREDIT FACILITY" means the Amended and Restated Term Loan and Revolving Credit Agreement, dated as of April 8, 2005, among GOODYEAR DUNLOP TIRES EUROPE BV, the other borrowers thereunder, the lenders thereunder, JPMorgan Chase Bank, as administrative agent, and the other parties thereto, as amended, refinanced, replaced or otherwise modified from time to time.

"EXCESS FORESEEN COLLECTIONS" means, with respect to a Settlement Date as long as any sums remain due under the Senior Deposit, the excess of (a) the amount of Foreseen Collections for such Settlement Date, over (b) the amount of the Complementary Deposit to be made on such Settlement Date. From the date on which any sums due under the Senior Deposit have been paid, or in the event an Early Amortisation Event described under Article 13.3 has occurred, the amount of Excess Foreseen Collections shall be equal to zero (0) as from such date or event.

"EXCLUDED DEBTOR" means any debtor mentioned in the list set forth in Schedule 14, as modified by mutual agreement between the Centralising Unit, the Purchaser and the Agent, in accordance with the provisions of Article 35.

"FILE COLLECTIONS" means, with respect to any period, all collections (excluding Deemed

Collections) on Sold Receivables which, on the basis of the information included in any Assessment Report and the electronic data file attached thereto, were expected to be received during such period by a Seller as calculated by the Agent on the basis of the Assessment Reports and the electronic support attached thereto.

"FINANCIAL COVENANTS" means the financial covenants set forth in Article 13.3(xv) and the related definitions.

"FINANCIAL INDEBTEDNESS" means, in relation to any person:

- (i) any indebtedness for monies borrowed or raised by that person;
- (ii) any indebtedness (actual or contingent) of that person under any guarantee, security, indemnity or other commitment designed to protect any creditor against loss in respect of any Financial Indebtedness of any third party;
- (iii) any indebtedness under or in respect of any acceptance credit opened on behalf of that person;
- (iv) any indebtedness under any debenture, note, bond, certificate of deposit, cash certificate, bill of exchange, commercial paper or similar instrument on which that person is liable as drawer, acceptor, endorser, issuers or otherwise;
- (v) any indebtedness for money owing in respect of any interest rate swap or currency swap, such indebtedness to be measured on a marked-to-market basis at the relevant time and to include, vis-a-vis any particular counterparty, application of the relevant ISDA or FBF netting procedures; and
- (vi) any payment obligations under any lease entered into for the purpose of obtaining or raising finance.

"FORESEEN COLLECTIONS" means, as calculated on each Calculation Date by the Agent on the basis of the electronic data file received from the Centralising Unit on the preceding Information Date,

- (i) - all cash collections paid or expected to be paid as from the last Assessment Date until the Settlement Date following the next Settlement Date by the Debtors under the Sold Receivables (including the Purchasable Receivable to be purchased on the following Settlement Date and excluding Net Miscellaneous Receivables and excluding Defaulted Receivables), on the basis of the contractual maturity date of such Sold Receivables;
- less, within the limit of the cash collections in relation to the Sold Receivables unpaid after their Maturity Date, the amount of Non Allocated Cash and non allocated Credit Notes with a maturity date until the Settlement Date following the next Settlement Date weighted by the ratio of:
 - (a) unpaid Sold Receivables (minus Net Miscellaneous Receivables minus Defaulted Receivables) after their respective Maturity Date, over
 - (b) unpaid Sold Receivables after their respective Maturity Date minus Defaulted Receivables;
- (ii) weighted by the ratio of:
 - (a) the Senior Deposit, the Discount Reserve and the portion of the Subordinated Deposit covering the Senior Deposit and the Discount Reserve (computed as follows: Subordinated Deposit multiplied by $((\text{Senior Deposit} + \text{Discount Reserve}) / (\text{Senior Deposit} + \text{Discount Reserve} + \text{Complementary Deposit}))$); over
 - (b) the Outstanding Amount of Sold Receivables, as of the next Settlement Date;
- (iii) weighted by the ratio of:
 - (a) the last audited theoretical average days of sales outstanding of accounts receivable of the Sellers, used in the determination of the Subordinated Deposit; over
 - (b) the last audited actual days of sales outstanding of accounts receivable of the Sellers;

and

- (iv) weighted by a risk ratio equal to one (1) on the date hereof, it being provided that such ratio may be reduced upon the request of the Centralising Unit, subject to the prior written consent of the Purchaser, the Issuers and the Liquidity Banks.

"FORMER SECURITISATION TRANSACTION" means, with respect to a Seller, any past securitisation transaction involving all or part of trade receivables of such Seller.

"FREE EQUITY AMOUNT" shall have the meaning as set forth in Section 3.6.3.

"FRENCH SECURITISATION TRANSACTION" means the securitisation transaction arranged by CALYON (succeeding in the rights of CREDIT LYONNAIS) in connection with the transfer of all or part of trade receivables of GOODYEAR DUNLOP TIRES FRANCE S.A. to ESTER FINANCE on the basis of the French master receivables purchase agreement entered into by GOODYEAR DUNLOP TIRES FRANCE S.A., ESTER FINANCE, EUROFACTOR and CALYON (succeeding in the rights of CREDIT LYONNAIS) on 20 September 2001, as amended.

"FRENCH SELLER" means GOODYEAR DUNLOP TIRES FRANCE S.A. or any New Seller that is organized under French law.

"FUND" means FCC Triple P, a fonds commun de creances, set up by the Management Company and CALYON (as depository) in accordance with the provisions of Article L.214-47 of the French Monetary and Financial Code (Code monetaire et financier) for the purposes of the Securitisation Transaction.

"FUNDED SETTLEMENT DATE" means the Initial Settlement Date and each of the dates identified "Funded Settlement Date" on Schedule 11 falling on or prior to the Program Expiry Date.

"GAAP" means, in relation to any person, the generally accepted accounting principles in the jurisdiction in which such person is organized.

"GENERAL PARTNER" shall have the meaning set forth in Section 3.6.3 (b).

"GENERAL SERVICING AGREEMENT" means the master back-up servicing agreement concluded on the date hereof between the Purchaser and the Stand-by Servicer/Back-Up Servicer which sets forth (i) the duties of the Stand-by Servicer before the termination of the collection mandate given to each Seller, (ii) upon its appointment, the conditions according to which EUROFACTOR shall act as Back-Up Servicer and (iii) the conditions under which EUROFACTOR shall assist the Italian Back-Up Servicer in the performance of certain backup servicing activities.

"GERMAN PARTY" and "GERMAN PARTIES" shall have the meaning set forth in Section 3.6.3 (b).

"GERMAN SELLER" means each of FULDA REIFEN GmbH & Co. KG, GOODYEAR DUNLOP TIRES OE GmbH, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co. KG, GOODYEAR GmbH & Co. KG and DUNLOP GmbH & Co. KG.

"GMBH PARTY" shall have the meaning set forth in Section 3.6.3 (a).

"GMBH & CO. KG PARTY" shall have the meaning set forth in Section 3.6.3 (b).

"GOODYEAR" means the parent company of the Goodyear Group, i.e. THE GOODYEAR TIRE & RUBBER COMPANY, a company incorporated under the laws of Ohio, having its registered office at 1144 East Market Street, Ohio, United States of America.

"GOODYEAR GROUP" means the group of entities comprised of GOODYEAR and its Affiliates.

"GOODYEAR DUNLOP TIRES EUROPE BV" means the Goodyear Dunlop Tires Europe B.V., parent company of the French, German, Italian and Spanish Sellers, incorporated under the laws of the Netherlands, having its registered office at De Boelelaan 7, 1083 HJ, Amsterdam, The Netherlands, and registered with the Companies Registry of Amsterdam under the number 33225215.

"GOVERNMENTAL AUTHORISATION" means any authorization given by any "Governmental Authority" as such term is defined in the European Credit Facility.

"GROUP" means, in relation to any Debtor, the group of entities comprised of this Debtor and its Affiliates.

"IMMOBILISATION INDEMNITY" means any immobilisation indemnity paid by ESTER FINANCE to the Depositor in accordance with the Master Senior Deposit Agreement.

"INCREASE IN THE COMPLEMENTARY DEPOSIT" means, on any Settlement Date during the Replenishment Period, the excess of (a) the amount of the Complementary Deposit on such Settlement Date in accordance with the Master Complementary Deposit Agreement over (b) the amount of the Complementary Deposit on the preceding Settlement Date.

"INCREASE IN THE SUBORDINATED DEPOSIT" means, on any Settlement Date during the Replenishment Period, the excess of (a) the amount of the Subordinated Deposit on such Settlement Date in accordance with the Master Subordinated Deposit Agreement over (b) the amount of the Subordinated Deposit on the preceding Settlement Date.

"INFORMATION DATE" means each of the dates identified as such in Schedule 11 and on which the Centralising Unit, acting in the name and on behalf of the Sellers, is required to transmit to the Agent the Assessment Report prepared as of the preceding Assessment Date, as well as the List of Purchasable Receivables.

"INITIAL PURCHASE PRICE" means, in relation to any Purchasable Receivable to be acquired by the Purchaser in respect of each Seller and on any Settlement Date during the Replenishment Period, the Outstanding Amount of Purchasable Receivables less the applicable Discount Amount.

"INITIAL SETTLEMENT DATE" means 21st December, 2004.

"INSOLVENCY PROCEEDINGS" means:

- (i) in relation to any person being resident in France or having its principal place of business in France :
 - a reference to such person being unable to pay its debt as they fall due (cessation des paiements) or initiating voluntary arrangements with its creditors (reglement amiable) or being subject to insolvency proceedings opened by a competent court (redressement ou liquidation judiciaire), all of which as construed by Articles L.611-1 et seq. of the French Commercial Code (formerly French Law no.84-148 of March 1, 1984) or, as the case may be, by Articles L.620-1 et seq. of the French Commercial Code (formerly French Law n.85-98 of January 25,1985);
 - whenever any auditor of such person has declared an alert procedure (procedure d'alerte) within the meaning of Article 234-1 of the French Commercial Code;
- (ii) in relation to any person being resident in Germany or having its principal place of business in Germany, a reference to such person that is overindebted (uberschuldet), unable to pay its debts as they fall due (zahlungsunfahig) or such status is imminent (drohende Zahlungsunfahigkeit) or is subject to insolvency (including preliminary insolvency proceedings) or dissolution proceedings;
- (iii) in relation to any person being resident in Spain or having the center of its interests in Spain, (hereinafter, the "SPANISH RESIDENT"):
 - the Spanish Resident files an application with a court to be declared to be subject to creditors' composition ("concurso") within the meaning of the Spanish law 22/2003, dated July 9, 2003 or subject to any equivalent situation as provided by any law that could complement, replace or amend it;
 - a third party applies to a court for a declaration that the Spanish Resident is subject to creditors' composition ("concurso") within the meaning of the Spanish law 22/2003 and the court accepts to follow the creditors' composition proceedings, or any other equivalent situation as provided by any other law that could complement, replace or amend them;
 - the Spanish Resident is subject to governmental or judicial administration in Spain (intervencion administrativa o administracion judicial);
 - any insolvency proceeding, as defined in Council Regulation (EC) No 1346/2000, of 29 May 2000 on Insolvency Proceedings is taken in any jurisdiction regarding the Spanish Resident;
- (iv) in relation to any person being resident in Italy or having the center of its interests in Italy, (hereinafter, the "ITALIAN RESIDENT"):

- the Italian Resident is insolvent, being unable to fulfil its obligations regularly, namely in due time and with usual means, pursuant to article 5 of the Italian Bankruptcy Law (insolvenza);
- the Italian Resident is declared bankrupt upon its own application or petition of the creditor/s or petition of the Public Prosecutor or ex officio by the judge when during a civil proceeding the insolvency of the company comes out, pursuant to articles 6 et seq. of the Italian Bankruptcy Law (fallimento);
- the Italian Resident, being insolvent, files an application for arrangement with creditors with the competent judge, proposing an arrangement pursuant to articles 160 et seq. of the Italian Bankruptcy Law (concordato preventivo);
- the Italian Resident, being unable to fulfil its obligations due to a temporary and reversible crisis, files an application with the tribunal in order to have the management of its business and the administration of its assets under the direction of the supervisory judge and the judicial commissioner pursuant to articles 187 et seq. of the Italian Bankruptcy Law (amministrazione controllata);
- the Italian Resident is under Compulsory administrative liquidation pursuant to articles 194 et seq. of the Italian Bankruptcy Law (liquidazione coatta amministrativa);
- the Italian Resident, being a large undertaking, is under extraordinary administration pursuant to Law 270/1999 (amministrazione straordinaria);
- if and when applicable, the Italian Resident, being eligible for the extraordinary administration and meeting additional requirements set by law, is under reorganization pursuant to Legislative Decree no. 347 of 23 December 2003, as amended subsequently (ristrutturazione industriale di grandi imprese in stato di insolvenza);
- any of the above insolvency proceeding is taken in any jurisdiction regarding the Italian Resident pursuant to Council Regulation (EC) no. 1346/2000 of 29 May 2000 on insolvency proceedings;

- (v) in relation to any person being resident in the Netherlands or having its principal place of business in the Netherlands, (hereinafter, the "DUTCH RESIDENT"), a reference to such person that is subject to any bankruptcy (faillissement), suspension of payments (surseance van betaling) or any other insolvency proceedings listed in Annex A of the Council Regulations (EC) No. 1346/2000 on Insolvency Proceedings or any other insolvency proceedings or analogous proceeding in each case opened by a competent court, including, but not limited to, emergency regulations ("noodregeling") as referred to in the Act on the Supervision Act of the Credit System ("Wet toezicht kredietwezen 1992") on the Supervision of the Insurance System ("Wet toezicht verzekeringsbedrijf 1993").
- (vi) in relation to any person being resident in the United States or having its principal place of business in the United States:
 - (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (x) liquidation, reorganization, bankruptcy, moratorium, suspension of payment or other relief in respect of such person or its debts, or of a substantial part of its assets, under any U.S. federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (y) the appointment of a receiver, trustee in bankruptcy, custodian, sequestrator, conservator or similar official for such person or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be entered;
 - (b) such person (v) voluntarily commences any proceeding or file any petition seeking liquidation, reorganization, bankruptcy, moratorium, suspension of payment or other relief under any U.S. federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (w) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in clause (a) of this section (x) applies for or consents to the appointment of a receiver, trustee in bankruptcy, custodian, sequestrator, conservator or similar official for such person or for a substantial part of its assets, (y) makes a general assignment for the benefit of creditors or (z) takes any action for the purpose of effecting any of the foregoing;
 - (c) such person admits in writing its inability or fails generally to pay its debts as they become due;
- (vii) in relation to Elixir Funding Limited, means a resolution is passed for the winding-up or dissolution of Elixir Funding Limited, or a liquidator is appointed in respect of Elixir Funding Limited or any of its assets, or there is an for a declaration of en desatre in respect of the property of Elixir Funding Limited or for the property of Elixir Funding Limited to be placed under the control of the Courts of Jersey, or Elixir becomes "bankrupt" as defined in the Interpretation (Jersey) Law 1954;
- (viii) in relation to Quasar, means any insolvency proceedings (faillite/faillissement), any amicable settlement proceedings (concordat judiciaire/gerechtigd akkoord), any liquidation proceedings (liquidation/vereffening) or any other insolvency proceedings

listed from time to time in Schedule A of the Council Regulations (EC) No. 1346/2000 on Insolvency Proceedings is opened against such person;

(ix) in relation to any other person, any similar provision applicable to it.

"INTERCOMPANY ARRANGEMENTS" shall have the meaning set forth in Article 11.1. (xiv).

"INTERMEDIARY SETTLEMENT DATE" means each of the dates identified as an "Intermediary Settlement Date" on Schedule 11 falling on or prior to the Program Expiry Date.

"ISSUERS" means :

- (i) LMA S.A., a French limited company (societe anonyme) having its registered office at 6-8, rue Menars, 75002 Paris, France, registered with the Company Registry of Paris (Registre du Commerce et des Societes de Paris), under the number 383 275 187; or
- (ii) Elixir Funding Limited, a public company incorporated with limited liability under, the laws of Jersey, having its registered office at St Paul's Gate, New Street, Saint Helier, Jersey, Channel islands JE2 34A, registered with the Companies Registry of Jersey under number 71548; or
- (iii) Quasar Securitisation Company NV, a Belgian company (institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht, naamloze vennootschap) with its registered office at Havenlaan 12, B-1080, Brussels, Belgium registered with the Company Registry of Brussels, under the number 475 526 860 ("QUASAR"); OR
- (iv) any other person who may enter the Securitisation Transaction from time to time in order to subscribe to units issued by the Fund and to finance such subscription by issuing Notes.

"ITALIAN BACK UP SERVICER" means, in relation to the Sold Receivables purchased from the Italian Seller, MEDIOFACTORING.

"ITALIAN BANKRUPTCY LAW" means the Italian Royal Decree No. 267 of 16th March, 1942, as amended and supplemented from time to time.

"ITALIAN NOTICE OF TRANSFER" means any notice issued by the Purchaser or any entity, acting on behalf of the Purchaser and appointed by the same for such purpose, to any Italian Debtor in accordance with a Italian Receivables Purchase Agreement.

"ITALIAN SELLER" means GOODYEAR DUNLOP TIRES Italia S.P.A. or any New Seller organized under Italian law.

"ITALIAN SERVICING AGREEMENT" means the specific back-up servicing agreement concluded on the date hereof between the Purchaser and the Italian Stand-by Servicer/Italian Back-Up Servicer which sets forth (i) the duties of the Italian Stand-by Servicer before the termination of the collection mandate given to the Italian Seller, and (ii) upon its appointment, the conditions according to which MEDIOFACTORING shall act as Italian Back-Up Servicer.

"ITALIAN STAND-BY SERVICER" means, in relation to the back-up servicing activities for those Sold Receivables purchased from the Italian Seller, MEDIOfACTORING.

"JOINT-LEAD ARRANGER" means each of CALYON and NBP, acting in its capacity as joint-lead arranger of the Securitisation Transaction.

"LIENS" means, in respect to any asset, any mortgage, deed of trust, lien, delegation of claims, pledge, hypothecation, encumbrance, charge of security interest in, on or of such asset.

"LIQUIDITY AGREEMENT" means (i) any unit purchase agreement (promesse d'achat et de revente de parts) dated the Closing Date or dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank pursuant to which the Liquidity Bank has undertaken to purchase from such Issuer, all or part of the units of the Fund held by the Issuer, or (ii) any credit facility agreement dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank pursuant to which the Liquidity Bank has undertaken to make loans to an Issuer secured by such units, or (iii) a swap agreement, repurchase agreement or other financial instrument dated the date hereof, as amended and/or supplemented from time to time, entered into between an Issuer and a Liquidity Bank, pursuant to which the Liquidity Bank has undertaken to make certain payments to an Issuer in relation to such units.

"LIQUIDITY BANK" means a bank or any other credit institution (etablissement de credit) (or any successor, transferee and assignee thereof), in each case rated at least A1, P1 and/or F1 by the relevant Rating Agencies at the time when it enters into or renews its commitment under a Liquidity Agreement, that has undertaken to purchase from an Issuer, all or part of the units of the Fund held by such Issuer or to make loans to an Issuer secured by such units or otherwise to make payments to an Issuer in relation to such units.

"LIQUIDITY BANK LETTER" means, in relation to any Liquidity Bank, the letter executed by such Liquidity Bank on 10 December 2004 and on 23 May, 2005 and which relates to the commitment to provide the Purchaser with an alternative funding, subject to the conditions provided in such letter, as may be amended or supplemented from time to time.

"LIQUIDITY COMMITMENT-NON RENEWAL" means, in relation to any Liquidity Bank:

- (a) the non renewal of a Liquidity Agreement in any of the following cases:
 - (i) such Liquidity Agreement is not renewed at its expiry date, and the relevant Liquidity Bank has not been replaced with another bank that is rated at least A1, P1 and/or F1 by the relevant Rating Agencies;
 - (ii) (x) as a result of Market Disruption, a drawing is made under such Liquidity Agreement in order to acquire all or part of the units of the Fund, and (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement;
 - (iii) (x) as a result of a Downgrading Event, a drawing is made under such Liquidity Agreement in order to acquire all or part of the units of the Fund, (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement, and (z) the relevant Liquidity Bank has not been replaced with another bank that is rated at

least A1, P1 and/or F1 by the relevant Rating Agencies; or

- (iv) (x) a drawing is made under any Liquidity Agreement for any reason other than those listed above, (y) such drawing remains outstanding until the expiry date of such Liquidity Agreement, and (z) the relevant Liquidity Bank has not been replaced with another bank that is rated at least A1, P1 and/or F1 by the relevant Rating Agencies; or

- (b) the expiry of the commitment of such Liquidity Bank under the relevant Liquidity Bank Letter.

"LIST OF PURCHASABLE RECEIVABLES" means any list of Purchasable Receivables, on each Assessment Date, in the form agreed between the parties, to be provided by the Centralising Unit, acting in the name and on behalf of the Sellers, to the Purchaser.

"MANAGEMENT COMPANY" means ABC Gestion, a limited company (societe anonyme), authorised as a Management Company (Societe de Gestion), in accordance with the provisions of Article L.247-47 of the Code Monetaire et Financier, having its registered office at 19, boulevard des Italiens - 75002 Paris, registered with the Trade and Companies Registry of Paris under the number 353 716 160.

"MANAGEMENT FEE" means the management fee set out in Article 10 (Fees).

"MARGIN" means the margin which aims to cover any administrative, financial and management costs incurred by ESTER FINANCE, equal to EUR 2,000 per month payable on each Funded Settlement Date.

"MARKET DISRUPTION" means the occurrence of any event leading to any placement agent acting for an Issuer being unable to find investors to purchase whole or part of the Notes that would otherwise be issued by that Issuer.

"MASTER COMPLEMENTARY DEPOSIT AGREEMENT" means the agreement dated 10 December, 2004, as amended and/or supplemented from time to time, entered into between the Purchaser and the Centralising Unit, under which the Centralising Unit shall effect a Complementary Deposit with the Purchaser.

"MASTER DEFINITIONS SCHEDULE" means this master definitions schedule which determines the meaning of the terms and expressions used in the Transaction Documents.

"MASTER SENIOR DEPOSIT AGREEMENT" means the agreement dated 15 December, 2004, as amended and/or supplemented from time to time, entered into between the Purchaser and the Depositor under which the Depositor has agreed to make a Senior Deposit with the Purchaser.

"MASTER SUBORDINATED DEPOSIT AGREEMENT" means the agreement dated 10 December, 2004, as amended and/or supplemented from time to time, entered into between the Purchaser and the Centralising Unit, under which the Centralising Unit shall effect a Subordinated Deposit with the Purchaser.

"MATERIAL ADVERSE EFFECT" means a material adverse change in or effect on (i) the ability of the Sellers and the Centralising Unit, taken as a whole, or of GOODYEAR DUNLOP TIRES EUROPE BV to perform their obligations under the Securitisation Documents that are material to the rights or interests of the Purchaser, the Depositor, the Issuers or the Liquidity Banks under the Securitisation Documents to which they are parties, (ii) the ability of the Purchaser to collect the amounts due under the Purchasable Receivables or the rights and interests of the Purchaser in the Sold Receivables, or (iii) the rights of or benefits available to the Purchaser, the Depositor, the Issuers or the Liquidity Banks under the Securitisation Documents that are material to the rights or interests of such parties thereunder including as a result of any material adverse change in or effect on the business, operations, properties, assets or financial condition (including as a result of the effects of any contingent liabilities) of GOODYEAR and its Subsidiaries (including the Sellers), taken as a whole.

"MATERIAL INDEBTEDNESS" means Financial Indebtedness of GOODYEAR and any of its subsidiaries in an aggregate principal amount exceeding USD 25,000,000 (or the equivalent in any other currency or currencies).

"MATURITY DATE" means, in relation to any Purchasable Receivable, the date on which such Purchasable Receivable becomes due and payable by the relevant debtor.

"MATERIAL SUBSIDIARY" means, at any time, each subsidiary of GOODYEAR DUNLOP TIRES EUROPE BV other than subsidiaries that do not represent more than 1% for any such individual subsidiary, or more than 5% in the aggregate for all such subsidiaries, of either (a) the total assets of GOODYEAR and its consolidated subsidiaries or (b) the revenues of GOODYEAR and its consolidated subsidiaries for the period of four (4) fiscal quarters most recently ended, in each case determined in accordance with GAAP.

"MAXIMUM AMOUNT OF THE COMPLEMENTARY DEPOSIT" means an amount equal to EUR 950,000,000 on the date hereof, as this amount may be modified from time to time by the parties to the Master Complementary Deposit Agreement in accordance with the terms of the Master Complementary Deposit Agreement.

"MAXIMUM AMOUNT OF THE PROGRAM" means an amount equal to EUR 274,998,600, or any other amount as determined pursuant to Articles 7.1.2 and 7.1.3.

"MAXIMUM AMOUNT OF THE PURCHASER'S FUNDING" means the amount set out in Article 7.1.

"MAXIMUM CONCENTRATION RATE" means :

- 10 %, in relation to the Debtors of the Renault Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody's and Standard & Poor's, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody's and Standard & Poor's;
- 10 %, in relation to the Debtors of the Peugeot Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody's and Standard & Poor's, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody's and Standard & Poor's;
- 10 %, in relation to the Debtors of the Michelin Group, taken as a whole, as long as such Debtors maintain short-term ratings not lower than A2 / P2 from Moody's and Standard & Poor's, and 6% so long as such Debtors maintain short-term ratings lower than A2 / P2 but not lower than A3 / P3 from Moody's and Standard & Poor's;
- 2 %, in relation to the Debtors of the Massa Pneu Group, taken as a whole ; or
- 4 %, in relation to any other Debtor and to any Debtors of a Debtor Group named above which does not maintain the ratings specified above as a condition to a higher Maximum Concentration Rate.

"MAXIMUM OVERCOLLATERALISATION RATE" means, as of the Initial Settlement Date and on each Funded Settlement Date thereafter, the rate equal to 50 %. Such rate may be modified provided that there has been an amendment to the Master Subordinated Deposit Agreement.

"MINIMUM AMOUNT OF THE PROGRAM" means, on the date hereof, the amount of EUR 27,500,000, as may be amended from time to time pursuant to the provisions of the Agreement.

"MISCELLANEOUS ACCOUNTING CREDIT ENTRIES" means, in relation to any Seller, Miscellaneous Accounting Entries booked on the credit side of the account receivables of an Eligible Debtor.

"MISCELLANEOUS ACCOUNTING DEBIT ENTRIES" means, in relation to any Seller, Miscellaneous Accounting Entries booked on the debit side of the account receivables of an Eligible Debtor.

"MISCELLANEOUS ACCOUNTING ENTRIES" means, in relation to any Seller, accounting entries other than invoices, credit notes or cash payments that appear on the debit side or credit side of the account receivables of an Eligible Debtor.

"NEW SELLER" means a company controlled, directly or indirectly, by Goodyear Dunlop Tires Europe B.V. and which becomes a party to the Securitisation Transaction after the date hereof.

"NET MISCELLANEOUS RECEIVABLE" means, in relation to any Seller, any Purchasable Receivable corresponding to the amount equal to the Miscellaneous Accounting Debit Entries minus Miscellaneous Accounting Credit Entries.

"NON ALLOCATED CASH" means any collection recorded in any Seller's accounting system, which has not yet been posted to the payment of a receivable.

"NOTES" means any US commercial paper, Billets de Tresorerie or any other short-term notes such as a Euro commercial paper.

"NOTICE OF TRANSFER" means any notice issued by the Purchaser or any entity, acting on behalf of the Purchaser and appointed by the same for such purpose, to any Debtor in accordance with a Receivables Purchase Agreement.

"OUTSTANDING AMOUNT" means, at all times:

- (i) in relation to any Purchasable Receivables, the aggregate principal amount remaining due in respect of such Purchasable Receivables;
- (ii) in relation to any Eligible Receivables, the aggregate principal amount remaining due in respect of such Eligible Receivables;
- (iii) in relation to any Defaulted Receivables, the aggregate principal amount remaining due in respect of such Defaulted Receivables;
- (iv) in relation to any Delinquent Receivables, the aggregate principal amount remaining due in respect of such Delinquent Receivables;
- (v) in relation to any Sold Receivables, the aggregate principal amount remaining due in respect of such Sold Receivables;
- (vi) in relation to any Net Miscellaneous Receivables, the aggregate principal amount remaining due in respect of such Net Miscellaneous Receivables.

The parties acknowledge that the Outstanding Amount of any receivables means the total net amount of such receivables (including all taxes less any credit notes issued, set-off, partial payments and other written off debts, as calculated by the Agent on the basis of the Assessment Reports and the electronic supports attached thereto).

"OVERCOLLATERALISATION RATE" means, on each Calculation Date preceding the Initial Settlement Date or a Funded Settlement Date during the Replenishment Period, the rate determined in accordance with the provisions of Schedule 1 of the Master Subordinated Deposit Agreement. The Overcollateralisation Rate shall be calculated by the Agent on each Calculation Date preceding a Funded Settlement Date and shall apply with respect to the two next Settlement Dates.

"PARTIES" means the parties to this Agreement.

"PAYMENT" means any payment to be made by the Purchaser to the Centralising Unit, in accordance with article 4.1 of the relevant Receivables Purchase Agreement.

"PERFORMANCE LETTER" means the performance letters granted by GOODYEAR DUNLOP TIRES EUROPE BV in the forms set out in Schedule 10.

"POTENTIAL EARLY AMORTISATION EVENT" means any event or condition which, but for the giving of any notice or the lapse of any time period or both required for an Early Amortisation Event to occur under Article 13, would constitute an Early Amortisation Event.

"PRIORITY AMOUNT" has the meaning set forth in Article 16.2.

"PROGRAM EXPIRY DATE" means, in relation to any Seller and the Centralising Unit, the earlier of the following dates:

- (i) the Business Day, on or after the Commitment Expiry Date, on which all sums due to the Purchaser under this Agreement and the relevant Receivables Purchase Agreement have been fully paid; or
- (ii) the first Funded Settlement Date (included) falling on or after twelve (12) calendar months after the Commitment Expiry Date.

"PROTECTED DEBTOR" means those German Debtors, which are either individual merchants (kaufleute) or commercial partnerships (Personenhandels-gesellschaften) organised as an Offene Handelsgesellschaft (OHG), Gesellschaft Burgerlichen Rechts (GBR) or Kommanditgesellschaft (KG).

"PURCHASABLE RECEIVABLE" means any of the receivables of any Seller that meet the characteristics set forth in article 7 of the Receivables Purchase Agreement to which such Seller is a party.

"PURCHASER" means ESTER FINANCE.

"PURCHASER'S ACCOUNT" means the account number 30002/869/2739T/78, opened by the Purchaser in the books of CALYON.

"PURCHASER'S COLLECTION ACCOUNT" means any of the bank account opened in the name of the Purchaser, as mentioned in the Collection Account Agreements.

"PURCHASER'S FUNDING" means that portion of the Outstanding Amount of Eligible Receivables which is funded by the Purchaser out of the Senior Deposit, the amount of which is determined in accordance with Article 7 (Amount of the Purchaser's Funding).

"PURCHASER'S TERMINATION NOTICE" means any notice issued by the Purchaser to the Centralising Unit in the circumstances set out in Article 13.2 or 13.4.

"RATING AGENCIES" means Fitch Ratings, Moody's Investors Services and Standard & Poors, or any other entity to which such agencies may transfer their credit rating business or with which they may consolidate, amalgamate or merge.

"RECEIVABLES PURCHASE AGREEMENTS" means the receivables purchase agreements entered into between the Sellers, the Purchaser and the Agent for the purchase of the Purchasable Receivables under the Securitisation Transaction and more specifically:

- (i) a Receivables Purchase Agreement governed by French law entered into by the French Seller in respect of their Purchasable Receivables;
- (ii) a Receivables Purchase Agreement governed by German law entered into by the German Sellers in respect of their Purchasable Receivables;
- (iii) a Receivables Purchase Agreement governed by Italian law entered into by the Italian Seller in respect of its Purchasable Receivables;
- (iv) a Receivables Purchase Agreement governed by Spanish law entered into by the Spanish Seller in respect of its Purchasable Receivables.

"REDUCTION OF THE COMPLEMENTARY DEPOSIT" means on any Settlement Date during the Replenishment Period, the excess, if any, of (a) the amount of the Complementary Deposit on the preceding Settlement Date over (b) the amount of the Complementary Deposit on such Settlement Date in accordance with the Master Complementary Deposit Agreement.

"REDUCTION OF THE SUBORDINATED DEPOSIT" means on any Settlement Date during the Replenishment Period, the excess, if any, of (a) the amount of the Subordinated Deposit on the preceding Settlement Date over (b) the amount of the Subordinated Deposit on such Settlement Date in accordance with the Master Subordinated Deposit Agreement.

"REGISTERED SHARE CAPITAL" has the meaning set forth in Article 3.6.3.

"REPLENISHMENT PERIOD" means the period of time commencing on the date hereof and ending on the Commitment Expiry Date during which the Purchaser undertakes to purchase Purchasable Receivables on each Settlement Date.

"RESPONSIBLE OFFICER" means the chief financial officer or treasurer of GOODYEAR or the Vice President, Finance or equivalent officer of GOODYEAR DUNLOP TIRES EUROPE BV. On the date hereof, the chief financial officer and the treasurer of GOODYEAR are, respectively, Richard Kramer and Darren Wells and the Vice President, Finance of GOODYEAR DUNLOP TIRES EUROPE BV is Ronn Archer. GOODYEAR DUNLOP TIRES EUROPE BV and GOODYEAR shall promptly update the name and contact details of such Responsible Officer.

"SECURITISATION DOCUMENTS" means the Transaction Documents, the Master Senior Deposit Agreement, the transfer and servicing agreement to be concluded with the Fund, the Fund regulations and any Liquidity Agreements, as may be amended and/or supplemented from time to time.

"SECURITISATION TRANSACTION" means the Securitisation transaction carried out pursuant to the Transaction Documents.

"SELLERS" means, collectively, the French Seller, the German Sellers, the Italian Seller and the Spanish Seller.

"SENIOR DEPOSIT" means the deposits effected by the Depositor with the Purchaser in accordance with the terms of the Master Senior Deposit Agreement as amended on 23 May, 2005.

"SETTLEMENT DATE" means a Funded Settlement Date or an Intermediary Settlement Date.

"SOLD RECEIVABLES" means, in relation to any Seller, those Purchasable Receivables (i) which have been purchased from such Seller by the Purchaser pursuant to the Receivables Purchase Agreement to which such Seller is a party, and (ii) which have not been repurchased from the Purchaser.

"SOLVENCY CERTIFICATE" means any certificate issued by the Sellers and Centralising Unit, in the form of Schedule 5.

"SPANISH SELLER" means GOODYEAR DUNLOP TIRES Espana S.A. or any New Seller that is organized under Spanish law.

"STAND-BY FEE" means the management fee set out in Article 27.4.

"STAND-BY SERVICER" means EUROFACTOR.

"SUBORDINATED DEPOSIT" means any subordinated deposit effected by the Centralising Unit with the Purchaser in accordance with the terms of Article 8 and the Master Subordinated Deposit Agreement.

"SUBORDINATED DEPOSITOR" means the Centralising Unit.

"SUBSIDIARY" means with respect to an entity (the "Parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which are consolidated with those of the Parent in the Parent's consolidated statements in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the Parent or one or more subsidiaries of the Parent or by the Parent and one or more subsidiaries of the Parent.

"TARGET DAY" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating.

"TRANSACTION DOCUMENTS" means this Agreement, the Master Subordinated Deposit Agreement, the Master Complementary Deposit Agreement, the Receivables Purchase Agreements, the Collection Account Agreements, the Data Protection Trustee Agreement, the Comfort Letter and the Performance Letter, as may be amended and/or supplemented from time to time.

"TRANSFER DEED" means any bordereau referred to in each Receivables Purchase Agreement, which shall be issued by the relevant Seller or the Centralising Unit, acting in the name and on behalf of each Seller, on each Settlement Date during the Replenishment Period, in the form of schedule 2 of the relevant Receivables Purchase Agreement.

"USD" or "US DOLLAR" refers to the lawful currency of the United States of America.

"VAT CREDIT" has the meaning set forth in Article 14.2.

"YEAR END REBATES" means deferred rebates granted by any Seller at the end of each year (or according to any periodicity) to some of its customers according to the fulfillment of their purchase commitments. These Year End Rebates may give rise to Credit Notes issued by the Sellers or to invoices issued by the customers over the relevant Sellers.

SCHEDULE 16. FINANCIAL COVENANTS DEFINITIONS

"CONSOLIDATED EBITDA" of any Person means, for any period, Consolidated Net Income of such Person for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) Consolidated Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) all non-cash non-recurring charges for such period, (v) all Rationalization Charges for such period, (vi) other expense for such period, (vii) equity in losses of affiliates for such period, (viii) foreign exchange currency losses for such period and (ix) minority interest in net income of subsidiaries for such period, minus (b) without duplication, to the extent included in determining such Consolidated Net Income (except with respect to (ii) and (iii) below), (i) any non-cash extraordinary gains for such period, (ii) cash expenditures (other than Rationalization Charges) during such period in respect of items that resulted in non-cash non-recurring charges during any prior period after March 31, 2005, (iii) Excess Cash Rationalization Charges, (iv) other income for such period, (v) equity in earnings of affiliates for such period, (vi) foreign exchange currency gains for such period and (vii) minority interest in net losses of subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED EUROPEAN J.V. EBITDA" means, for GOODYEAR DUNLOP TIRES EUROPE BV and its Consolidated Subsidiaries for any period, Consolidated Net Income of GOODYEAR DUNLOP TIRES EUROPE BV for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum for GOODYEAR DUNLOP TIRES EUROPE BV and its Consolidated Subsidiaries of (i) Consolidated Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) all non-cash non-recurring charges for such period, (v) all Rationalization Charges taken by GOODYEAR DUNLOP TIRES EUROPE BV and its Consolidated Subsidiaries for such period, (vi) other expense for such period, (vii) equity in losses of affiliates for such period, (viii) foreign exchange currency losses for such period and (ix) minority interest in net income of subsidiaries for such period, minus (b) without duplication, to the extent included in determining such Consolidated Net Income (except with respect to (ii) and (iii) below), (i) any non-cash extraordinary gains for such period, (ii) cash expenditures (other than Rationalization Charges) during such period in respect of items that resulted in non-cash non-recurring charges during any prior period after March 31, 2003, (iii) Excess J.V. Cash Rationalization Charges, (iv) other income for such period, (v) equity in earnings of affiliates for such period, (vi) foreign exchange currency gains for such period and (vii) minority interest in net losses of subsidiaries for such period, all determined on a consolidated basis in accordance with GAAP. Consolidated European J.V. EBITDA for any period of four consecutive fiscal quarters will be determined in Euros based upon the Exchange Rate in effect on the last day of the applicable period.

"CONSOLIDATED INTEREST EXPENSE" of any Person means, for any period the sum of, without duplication, (a) the consolidated interest expense (including imputed interest expense in respect of Capital Lease Obligations and excluding fees and other origination costs included in interest expense and arising from Indebtedness incurred at any time) of such Person and its

Consolidated Subsidiaries for such period, determined in accordance with GAAP but excluding capitalized interest, (b) all cash dividends paid during such period in respect of Permitted Preferred Stock and (c) all finance expense related to Securitization Transactions, excluding amortization of origination and other fees.

"CONSOLIDATED NET INCOME" of any Person means, for any period, the net income or loss of such Person and its Consolidated Subsidiaries for such period determined in accordance with GAAP.

"CONSOLIDATED NET J.V. INDEBTEDNESS" means, at any date, (a) the sum for GOODYEAR DUNLOP TIRES EUROPE BV and its Consolidated Subsidiaries at such date, without duplication, of (i) all Indebtedness (other than obligations in respect of Swap Agreements) that is included on GOODYEAR DUNLOP TIRES EUROPE BV's consolidated balance sheet, (ii) all Capital Lease Obligations, (iii) all synthetic lease financings and (iv) all Securitization Transactions, minus (b) the aggregate amount of cash, cash equivalents and Permitted Investments in excess of \$100,000,000 held at such time by the European J.V. and its Consolidated Subsidiaries, all determined in accordance with GAAP. For purposes of computing Consolidated Net J.V. Indebtedness, (A) the amount of any synthetic lease financing shall equal the amount that would be capitalized in respect of such lease if it were a Capital Lease Obligation, and (B) Indebtedness owing by GOODYEAR DUNLOP TIRES EUROPE BV or any of its Consolidated Subsidiaries to GOODYEAR or any of its Consolidated Subsidiaries shall be disregarded. Consolidated Net J.V. Indebtedness will be determined in Euros based upon the Exchange Rate in effect on the last day of the applicable period.

"CONSOLIDATED NET SECURED INDEBTEDNESS" means, at any date, (a) the sum for GOODYEAR and its Consolidated Subsidiaries for such period, without duplication, of (i) all Indebtedness (other than obligations in respect of Swap Agreements) that is included on GOODYEAR's consolidated balance sheet and is secured by any assets of Goodyear or a Consolidated Subsidiary, (ii) all Capital Lease Obligations, (iii) all synthetic lease financings, (iv) all Indebtedness of South Pacific Tyres that is secured by any of its assets or assets of Goodyear or a Consolidated Subsidiary and (v) all Securitization Transactions, minus (b) the aggregate amount of cash, cash equivalents and Permitted Investments in excess of \$400,000,000 held at such time by GOODYEAR and the Consolidated Subsidiaries, all determined in accordance with GAAP. For purposes of computing Consolidated Net Secured Indebtedness, the amount of any synthetic lease financing shall equal the amount that would be capitalized in respect of such lease if it were a Capital Lease Obligation.

"EXCESS CASH RATIONALIZATION CHARGES" means, for any period, (i) with respect to GOODYEAR, cash expenditures of GOODYEAR and its Consolidated Subsidiaries with respect to Rationalization Charges recorded on Goodyear's consolidated income statement after March 31, 2005; provided, however, that for such cash expenditures incurred after March 31, 2005, Excess Cash Rationalization Charges shall only include the aggregate amount of such cash expenditures which exceed the sum of USD 150,000,000 plus 50% of Equity Proceeds received after the Effective Date.

"EXCESS J.V. CASH RATIONALIZATION CHARGES" means, for any period, cash expenditures of GOODYEAR DUNLOP TIRES EUROPE BV and its Consolidated Subsidiaries in such period with respect to Rationalization Charges recorded on GOODYEAR DUNLOP TIRES

EUROPE BV's consolidated income statement after March 31, 2005; provided, however, that for such cash expenditures incurred after March 31, 2005, Excess Cash Rationalization Charges shall only include the aggregate amount of such cash expenditures which exceed the sum of USD 75,000,000 plus 50% of J.V. Equity Proceeds received by GOODYEAR DUNLOP TIRES EUROPE BV after the Effective Date.

"RATIONALIZATION CHARGES" means, for any period, cash and non-cash charges related to rationalization actions designed to reduce capacity, eliminate redundancies and reduce costs.

"CAPITAL LEASE OBLIGATIONS", "CONSOLIDATED SUBSIDIARY", "EQUITY INTERESTS", "EQUITY PROCEEDS", "EXCHANGE RATE", "INDEBTEDNESS", "J.V. EQUITY PROCEEDS", "PERSON", "NET CASH PROCEEDS", "PERMITTED INVESTMENTS", "PERMITTED PREFERRED STOCK", "SECURITIZATION TRANSACTION" and "SWAP AGREEMENTS" have the meanings given to such terms in the European Credit Facility as in effect on the date hereof, and any amendments thereto that have been made in connection with any Applicable Waiver or Amendment.

GOODYEAR

AMENDMENT NO.1 TO THE
MASTER SUBORDINATED DEPOSIT AGREEMENT
DATED DECEMBER 10, 2004

DATED 23 MAY 2005
BETWEEN

EUROFACTOR
as Agent

CALYON
as Calculation Agent

ESTER FINANCE TITRISATION
as Purchaser

AND

GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.
as Subordinated Depositor and Centralising Unit

En accord entre les parties, les
presentes ont ete reliees par le
procede ASSEMBLACT R.C. empechant
toute substitution ou addition
et sont seulement signees a la
derniere page.

[GIDE LOYRETTE NOUEL LOGO]

26, COURS ALBERT 1ER 75008 PARIS TEL. +33 (0)1 40 75 60 00
FAX +33 (0)1 43 59 37 79 E-MAIL INFO@GIDE.COM WWW.GIDE.COM

THIS FIRST AMENDMENT IS ENTERED INTO BETWEEN:

1. ESTER FINANCE TITRISATION, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 19 Boulevard des Italiens, 75 002 Paris, France, registered with the Trade and Companies Registry of Paris under the number 414 886 226, whose representative is duly authorised for the purpose of this Agreement (hereafter referred to as the "PURCHASER");
2. EUROFACTOR, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at Tour d'Asnieres, 4, avenue Laurent Cely, 92608 Asnieres, France, registered with the Trade and Companies Registry of Nanterre under the number 642 041 560, whose representative is duly authorised for the purpose of this Agreement (hereafter referred to as the "AGENT");
3. CALYON, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 9 quai du President Paul Doumer, 92920 Paris La Defense Cedex, France, registered with the Trade and Companies Registry of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this Agreement (hereafter referred to as the "CALCULATION AGENT");
4. GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V., a company incorporated under Dutch law, having its registered office at Deboelelaan 7, 1083 HJ, Amsterdam, The Netherlands, registered with the Companies Registry of Amsterdam under the number 34197964, whose representative is duly authorised for the purpose of this Agreement (hereafter referred to as the "SUBORDINATED DEPOSITOR" or the "CENTRALISING UNIT");

All individually referred hereinafter to as an "AMENDMENT PARTY" and collectively referred to as the "AMENDMENT PARTIES".

WHEREAS:

1. The Purchaser, the Agent, the Subordinated Depositor and the Calculation Agent entered into on December 10, 2004 a master subordinated deposit agreement (the "MASTER SUBORDINATED DEPOSIT AGREEMENT").
2. The Purchaser will finance the acquisition of Purchasable Receivables (a) partly out of the Senior Deposit effected by the Depositor with the Purchaser in accordance with the Master Senior Deposit Agreement and (b) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (i) the Subordinated Deposit and (ii) the Complementary Deposit.
3. As of the date hereof, the Purchaser, the Agent, the Subordinated Depositor and the Calculation Agent agree to modify schedule 1 of the Master Subordinated Deposit Agreement in order to include the Discount Reserve in the calculation of the Overcollateralisation Rate therein.
4. The Amendment Parties have agreed to enter into this amendment to the Master Subordinated Deposit Agreement (the "FIRST AMENDMENT") in order to amend the provisions of the Master Subordinated Deposit Agreement in accordance with the terms and conditions provided for under this amendment subject to the provisions of article 19 of the Master Subordinated Deposit Agreement.

IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE 1. DEFINITIONS

Except as otherwise defined herein, capitalised terms and expressions used in the First Amendment (including their recitals) shall have the same meaning as ascribed to them in the General Master Purchase Agreement, as amended and restated on the date hereof. The Schedules hereto shall form an integral part of this First Amendment.

ARTICLE 2. INTERPRETATION

In this First Amendment, unless the context calls for another interpretation:

- (a) reference to Articles and Schedules shall be construed as references to the articles and schedules of this First Amendment. Any reference to this First Amendment includes a reference to its recitals and schedules;
- (b) headings are for convenience only and shall not affect the interpretation of the First Amendment;
- (c) words in the singular shall cover the plural and vice versa;
- (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (e) reference to any person shall include its permitted assignee, transferee, successors or any person deriving title under or through it;
- (f) words appearing in this First Amendment in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;
- (g) a reference to a document shall be construed as a reference to such document as may be amended, supplemented or replaced by novation;
- (h) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof or as may be amended and supplemented from time to time.

ARTICLE 3. PURPOSE

3.1 The purpose of this First Amendment is to set out the conditions according to which the Amendment Parties have agreed to amend and restate the Master Subordinated Deposit Agreement including, but not limited to, the insertion of the Discount Reserve in the

calculation of the Overcollateralisation Rate appended to schedule 1 of this Master Subordinated Deposit Agreement.

3.2 Therefore, as from the date of this First Amendment and on the basis of the amendments agreed upon by the Amendment Parties, the terms and conditions of the Master Subordinated Deposit Agreement, as such terms and conditions are set out in Schedule 1 to this First Amendment, shall apply to the Amendment Parties.

ARTICLE 4. TERM

This First Amendment shall take effect on the date hereof, provided that all conditions precedent set out in schedule 2 of the General Master Purchase Agreement have been fulfilled.

ARTICLE 5. CONDITIONS PRECEDENT TO THE EXECUTION OF THIS FIRST AMENDMENT

Prior to the execution of this First Amendment, the following conditions must have been complied with:

- (a) the Rating Agencies have:
 - (i) been informed of the contemplated amendment, and
 - (ii) have confirmed that the amendments contemplated therein will not entail a downgrading or withdrawal of the current ratings of the Notes issued by the Issuer in accordance with the provisions of article 19 of the Master Subordinated Deposit Agreement;
- (b) each Issuer and each Liquidity Bank has given its prior written consent to such First Amendment.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES

The Subordinated Depositor hereby represents and warrants to the Purchaser, as follows:

- (a) it is a liability company duly incorporated and validly existing under Dutch law and has the capacity:
 - (i) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where not having such capacity would not be reasonably likely to result in a Material Adverse Effect, and
 - (ii) to enter into and perform its obligations under this First Amendment;
- (b) the execution of this First Amendment does not require any authorisation with respect to the Subordinated Depositor that has not already been obtained and communicated to the

Purchaser, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;

- (c) the execution of this First Amendment and the performance of the obligations under this First Amendment do not contravene any of the provisions of the Subordinated Depositor's articles and memorandum of association, agreements or undertakings to which it is a party or by which it is bound, and do not in any manner contravene the statutes and regulations applicable to it, except, in each case, to the extent that no Material Adverse Effect would result from such breach;
- (d) the obligations arising out of this First Amendment are binding on the Subordinated Depositor and enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally;
- (e) in the event that, in accordance with the provisions of this First Amendment and the General Master Purchase Agreement as amended and restated on the date hereof, the Subordinated Depositor is not repaid in full on the Program Expiry Date, the Subordinated Depositor shall incur any losses out of its own business, and the Purchaser, shall not be liable, in any manner whatsoever, in this respect (except, as the case may be, as provided in article 4.2 (b) of the General Master Purchase Agreement as amended and restated on the date hereof); and
- (f) the constitution of the Subordinated Deposit as cash collateral (affectation a titre de gage-especes) in favour of the Purchaser, as set forth in article 10 of the Master Subordinated Deposit Agreement, complies with the Subordinated Depositor's corporate interest and does not exceed its financial capabilities; the Subordinated Depositor has entered into Intercompany Arrangements with the Sellers and GOODYEAR DUNLOP TIRES EUROPE B.V., pursuant to which the Subordinated Depositor shall receive from each Seller any necessary consideration for making the Subordinated Deposit and shall be indemnified as is appropriate, by each Seller and GOODYEAR DUNLOP TIRES EUROPE B.V. in respect of the losses incurred by the Subordinated Depositor as a result of the Subordinated Deposit made under this Master Subordinated Deposit Agreement.

ARTICLE 7. NO NOVATION

7.1 The First Amendment does not create any novation of the Master Subordinated Deposit Agreement. The Amendment Parties agree that the provisions of the Master Subordinated Deposit Agreement, as amended and restated by this First Amendment, shall remain in full force and effect.

7.2 The Amendment Parties accept that any reference to the Master Subordinated Deposit Agreement in another contract entered by one Amendment Party is interpreted as a reference to the Master Subordinated Deposit Agreement as modified by the First Amendment.

7.3 The Amendment Parties hereby acknowledge and, if necessary, accept all amendments made to the Transaction Documents on the date hereof.

ARTICLE 8. GOVERNING LAW - JURISDICTION

8.1 This First Amendment shall be governed by, and construed in accordance with, French law.

8.2 Any dispute as to the validity, interpretation, performance or any other matter arising out of this First Amendment shall be subject to the jurisdiction of the competent courts of Paris. The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Made in Paris,

on 23 May 2005, in 4 (four) originals.

GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.

represented by /s/ Ronn Archer

duly authorised for the purpose of executing this First Amendment

EUROFACTOR

represented by /s/ Olga de Carvallis

duly authorised for the purpose of executing this First Amendment

ESTER FINANCE TITRISATION

RICHARD SINCLAIR
Directeur General du Directoire
d'ESTER FINANCE TITRISATION

represented by /s/ Richard Sinclair

duly authorised for the purpose of executing this First Amendment

CALYON

represented by /s/ Francois Cavale and by /s/ Richard Sinclair

duly authorised for the purpose of executing this First Amendment

SCHEDULE 1. AMENDED AND RESTATED MASTER
SUBORDINATED DEPOSIT AGREEMENT

GOODYEAR

AMENDED AND RESTATED MASTER
SUBORDINATED DEPOSIT AGREEMENT
DATED 10 DECEMBER, 2004

AS AMENDED AND RESTATED ON DATED 23 MAY, 2005

Between

EUROFACTOR
as Agent

CALYON
as Calculation Agent

ESTER FINANCE TITRISATION
as Purchaser

AND

GOODYEAR DUNLOP TIRES FINANCE EUROPE
B.V.
as Subordinated Depositor or Centralising Unit

[GIDE LOYRETTE NOUEL LOGO]

26, COURS ALBERT 1ER 75008 PARIS TEL. +33 (0)1 40 75 60 00
FAX +33 (0)1 43 59 37 79 E-MAIL INFO@GIDE.COM WWW.GIDE.COM

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BETWEEN

1. EUROFACTOR, a company incorporated under French law, authorised as a credit institution (etablissement de credit) and having its registered office at Tour d'Asnieres, 4, avenue Laurent Cely, 92608 Asnieres, France, registered with the Trade and Companies Registry of Nanterre under the number 642 041 560, whose representative is duly authorised for the purpose of this agreement (the "AGENT");

2. CALYON, a company incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 9 quai du President Paul Doumer, 92920 Paris La Defense Cedex, France, registered with the Trade and Companies Registry of Nanterre under the number 304 187 701, whose representatives are duly authorised for the purpose of this agreement (the "CALCULATION AGENT");

3. ESTER FINANCE TITRISATION, a limited company with a management and supervisory board (societe anonyme a directoire et conseil de surveillance) incorporated under French law and authorised as a credit institution (etablissement de credit), having its registered office at 19 Boulevard des Italiens, 75002 Paris, France, registered with the Trade and Companies Registry of Paris under the number 414 886 226, whose representative is duly authorised for the purpose of this agreement ("ESTER FINANCE" or the "PURCHASER");

4. GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V., a company incorporated under Dutch law, having its registered office at Deboelelaan 7, 1083 HJ, Amsterdam, The Netherlands, registered with the Trade and Companies Registry of Amsterdam under the number 34197964, whose representative is duly authorised for the purpose of this agreement (the "CENTRALISING UNIT" or the "SUBORDINATED DEPOSITOR").

WHEREAS

GOODYEAR DUNLOP TIRES France S.A., FULDA REIFEN GmbH & Co KG, M-PLUS MULTIMARKENMANAGEMENT GmbH & Co KG, GOODYEAR GmbH & Co KG, DUNLOP GmbH & Co KG, GOODYEAR DUNLOP TIRES OE GmbH, GOODYEAR DUNLOP TIRES Italia SpA and GOODYEAR DUNLOP TIRES Espana SA (the "SELLERS") are in the business of manufacturing and/or supplying tyres and activities relating thereto, and hold receivables over their respective debtors.

In order to provide financing to the Sellers, CALYON as arranger has proposed to set up a securitisation transaction by way of the sale, on an ongoing basis, of trade receivables resulting from the usual business of the Sellers in France, Germany, Italy and Spain.

For such purposes, ESTER FINANCE has undertaken to purchase certain trade receivables held by the Sellers (the "PURCHASABLE RECEIVABLES") by way of a transfer of receivables pursuant to the provisions of the French law governed general master purchase agreement (the "GENERAL MASTER PURCHASE AGREEMENT") and the receivables purchase agreements (the "RECEIVABLES PURCHASE AGREEMENTS") governed by French, German, Italian and Spanish law depending of the laws of the incorporation of the relevant Seller.

ESTER FINANCE shall fund the acquisition of Purchasable Receivables:

- (i) partly out of a senior deposit (the "SENIOR DEPOSIT") effected by the Depositor with the Purchaser in accordance with a master senior deposit agreement (the "MASTER SENIOR DEPOSIT AGREEMENT") and
- (ii) partly by way of set-off against any amount due and payable by the Centralising Unit to the Purchaser in connection with (a) a subordinated deposit (the "SUBORDINATED DEPOSIT") to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of the present master subordinated deposit agreement (the "MASTER SUBORDINATED DEPOSIT AGREEMENT") and (b) a complementary deposit (the "COMPLEMENTARY DEPOSIT") to be effected by the Centralising Unit with the Purchaser in accordance with the terms and conditions of a master complementary deposit agreement (the "MASTER COMPLEMENTARY DEPOSIT AGREEMENT").

The Purchaser and the Subordinated Depositor are willing to define the terms and conditions according to which the Subordinated Deposit shall be made by the Subordinated Depositor with the Purchaser and shall be pledged as cash collateral (affecte a litre de gage-especes) in favour of the Purchaser and have agreed to enter into this agreement under the terms and subject to the conditions set forth hereunder.

NOW IT IS HEREBY AGREED AS FOLLOWS:

CHAPTER I - INTERPRETATION

ARTICLE 1. DEFINITIONS

Capitalised terms and expressions used in this Master Subordinated Deposit Agreement shall have the same meaning as ascribed to such terms and expressions in the Master Definitions Schedule attached as schedule 1 to the General Master Purchase Agreement.

ARTICLE 2. INTERPRETATION

(i) The titles of the Chapters, the Schedules and the Articles (including their paragraphs) used herein and the table of contents are for convenience of reference only, and shall not be used to interpret this Master Subordinated Deposit Agreement.

(ii) In this Master Subordinated Deposit Agreement, except if the context calls for another interpretation:

- (a) references to "CHAPTERS", "ARTICLES" and "SCHEDULES" shall be construed as references to the chapters, articles and schedules of this Master Subordinated Deposit Agreement and references to this Master Subordinated Deposit Agreement include its recitals and schedules;
- (b) headings are for convenience only and shall not affect the interpretation of the this Master Subordinated Deposit Agreement;
- (c) words in the plural shall cover the singular and vice versa;
- (d) references to the time of the day shall refer to Paris time, unless otherwise stipulated;
- (e) reference to any person shall include its permitted assignee, transferee, successors or any person deriving title under or through it;
- (f) references to a document shall mean this document, as amended, replaced by novation or varied from time to time;
- (g) words appearing in this Master Subordinated Deposit Agreement in a language other than English shall have the meaning ascribed to them under the law of the corresponding jurisdiction and such meaning shall prevail over their translation into English, if any;

- (h) references to "PARTIES" must be interpreted as references to the parties to the present agreement, and to a "PARTY" shall refer to any of the Parties; and
- (i) references to any Securitisation Document shall be construed to mean such securitisation document, as amended and restated on the date hereof and as may be amended and supplemented from time to time thereafter.

CHAPTER II - PURPOSE - DURATION

ARTICLE 3. PURPOSE OF THIS AGREEMENT

3.1 The Subordinated Depositor shall make a Subordinated Deposit with the Purchaser in accordance with the terms of this Master Subordinated Deposit Agreement.

3.2 The Subordinated Deposit made by the Subordinated Depositor under this Master Subordinated Deposit Agreement shall be applied and pledged as cash collateral (affecte a litre de gage-especes) in favour of the Purchaser in accordance with and subject to the provisions of Article 10 below.

All repayments of principal to be made by the Purchaser to the Subordinated Depositor in respect of the Subordinated Deposit shall be made up to the amount and to the extent of the sums received by the Purchaser in respect of the Sold Receivables in the manner described under Article 7 below. During the Amortisation Period, such repayments under the Subordinated Deposit shall be subject to the order of priority of payments provided for under article 16 of the General Master Purchase Agreement and shall, in particular, occur after the full and definitive repayment of any sum due under the Senior Deposit.

The Subordinated Depositor agrees that, for the purposes of the repayment of sums due to it under the Subordinated Deposit or otherwise under this Master Subordinated Deposit Agreement prior to the Program Expiry Date, it will look solely to the amount of the sums received by the Purchaser under the General Master Purchase Agreement until the Program Expiry Date in respect of the Sold Receivables and that the Subordinated Depositor shall not, in such capacity, take or pursue any judicial or other proceedings, or exercise any right or remedy that it might otherwise have against the Purchaser or the Purchaser's assets save to the extent required for the recovery of such sums.

ARTICLE 4. DURATION OF THE AGREEMENT

4.1 This Master Subordinated Deposit Agreement shall enter into force on the Closing Date and shall terminate on the Program Expiry Date.

4.2 The Subordinated Deposit shall be repaid in the manner described in Article 7 below.

CHAPTER III - AMOUNT OF THE SUBORDINATED
DEPOSIT

ARTICLE 5. AMOUNT OF THE SUBORDINATED DEPOSIT

5.1 Amount of the Subordinated Deposit

On each Calculation Date preceding a Settlement Date during the Replenishment Period, the amount of the Subordinated Deposit shall be calculated in accordance with the provisions of Schedule I and Schedule 2.

On each Calculation Date, during the Replenishment Period, the Agent shall calculate the difference between (i) the amount of the Subordinated Deposit on the following Settlement Date, and (ii) the amount of the Subordinated Deposit on the preceding Settlement Date.

During the Amortisation Period until the Program Expiry Date, the amount of the Subordinated Deposit shall be equal to the amount of the Subordinated Deposit as at the last Funded Settlement Date, and shall be repaid, after full repayment of the Senior Deposit, in accordance with the provisions of Article 7.

The amount of the Subordinated Deposit shall be calculated by the Agent on each Calculation Date.

5.2 Calculation and setting up of the Subordinated Deposit

5.2.1 Calculation

(i) At the latest on the Calculation Date preceding the Initial Settlement Date, the Agent shall calculate and notify forthwith the Purchaser and the Subordinated Depositor the amount of the Subordinated Deposit to be made in accordance with Article 5.1 above on the Initial Settlement Date, together with the details of such calculation.

(ii) On each Calculation Date thereafter during the Replenishment Period, the Agent shall calculate and notify forthwith the Purchaser and the Subordinated Depositor of the difference between (i) the amount of the Subordinated Deposit on the related Settlement Date, and (ii) the amount of the Subordinated Deposit on the preceding Settlement Date, together with the details of such calculation.

If the new amount of the Subordinated Deposit is higher than the amount of the Subordinated Deposit on the preceding Settlement Date, the Subordinated Deposit shall be increased by the Euro amount of the difference (the "INCREASE IN THE SUBORDINATED DEPOSIT").

If the new amount of the Subordinated Deposit is lower than the amount of the Subordinated Deposit on the preceding Settlement Date, the Subordinated Deposit shall be reduced by the Euro amount of the difference (the "REDUCTION OF THE SUBORDINATED DEPOSIT").

For the avoidance of doubt, any reference to the Subordinated Deposit in the Transaction Documents shall be to the Subordinated Deposit as it may be increased or reduced in accordance with this Article 5.2.1.

5.2.2 Setting up of the Subordinated Deposit

(i) On the Initial Settlement Date, before 9.00 a.m. (Paris time), the Subordinated Depositor shall make a Subordinated Deposit in Euro with the Purchaser. Such Subordinated Deposit shall be made by crediting the Current Account, for the amount calculated in accordance with Article 5.2.1 (i) above, in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement.

(ii) On each Settlement Date after the Initial Settlement Date, during the Replenishment Period, before 9.00 a.m. (Paris time):

- (a) the Subordinated Depositor shall make a deposit in respect of the Subordinated Deposit in Euro with the Purchaser, for an amount corresponding to any Increase in the Subordinated Deposit, as calculated in accordance with Article 5.2.1 (ii) above; or
- (b) the Purchaser shall repay a portion of the Subordinated Deposit to the Subordinated Depositor, for an amount corresponding to any Reduction of the Subordinated Deposit, as calculated in accordance with Article 5.2.1 (ii) above, subject to the provisions of Article 7 below.

The payments to be made pursuant to (i) and (ii) above shall be effected in accordance with and subject to the provisions of article 6.4 of the General Master Purchase Agreement

ARTICLE 6. NO INTEREST - NO UNAVAILABILITY FEE

The Purchaser and the Subordinated Depositor hereby expressly agree that the Subordinated Deposit shall not bear interest and that no unavailability fee shall be paid to the Subordinated Depositor in relation to the making of the Subordinated Deposit.

The Subordinated Depositor acknowledges that it has entered into intercompany arrangements with the Sellers (the "INTERCOMPANY ARRANGEMENTS") pursuant to which the Subordinated Depositor will receive from each Seller any necessary consideration for the making of the Subordinated Deposit and will be indemnified in an appropriate manner by each Seller in accordance with its corporate interest and in respect of the losses incurred by it as a result of the Subordinated Deposit made under this Master Subordinated Deposit Agreement.

CHAPTER IV - REPAYMENT - PAYMENTS

ARTICLE 7. REPAYMENT

7.1 Principle

The repayment of the Subordinated Deposit, which shall be carried out until the Program Expiry Date, shall always be subject to (i) the provisions of Article 3.2 above and (ii) the order of priority of payments set forth under article 16 of the General Master Purchase Agreement and Article 7.2 below, and in particular shall be subject to the full repayment of any amount due under the Senior Deposit.

7.2 Repayment of the Subordinated Deposit

7.2.1 On each Settlement Date during the Replenishment Period, the Purchaser shall repay, if applicable, the Subordinated Deposit to the Subordinated Depositor, for an amount equal to any Reduction of the Subordinated Deposit in the manner calculated under Article 5.2.1 above.

7.2.2 On each Settlement Date during the Amortisation Period, and until the Program Expiry Date, the Purchaser shall repay to the Subordinated Depositor the Subordinated Deposit, to the extent of the amount resulting from the allocations set out in article 16 of the General Master Purchase Agreement.

The Parties agree that, for the avoidance of doubt, and in accordance with the order of priority set forth under article 16 of the General Master Purchase Agreement which the Centralising Unit expressly acknowledges and accepts, the Subordinated Deposit shall not be repaid during the Amortisation Period, *inter alia*, until full repayment of the Senior Deposit.

7.2.3 Such repayment shall be effected by means of the Distributed Amounts received by the Purchaser under the Sold Receivables until the Program Expiry Date and in accordance with the order of priority of payments as described in article 16 of the General Master Purchase Agreement.

7.2.4 In the event that, on the Program Expiry Date, the Subordinated Deposit has not been repaid in full in accordance with the provisions of this Master Subordinated Deposit Agreement, the Purchaser shall be irrevocably released from any repayment obligations hereunder.

7.3. In the event that during the Amortisation Period, the Centralising Unit, acting in the name and on behalf of the Sellers, repurchases all outstanding Sold Receivables from the Purchaser in accordance with article 4.3 of the General Master Purchase Agreement, the purchase price of such Sold Receivables shall be applied by the Purchaser to the repayment of the Subordinated Deposit in the order specified in article 16 of the General Master Purchase Agreement.

ARTICLE 8. PAYMENTS

8.1 All payments to be made in accordance with this Master Subordinated Deposit Agreement shall be made in Euro.

8.2 All repayments of principal and all payments falling due on a day which is not a Business Day shall instead fall due on the following Business Day.

8.3 At any time, until the Program Expiry Date, subject to article 6 of the General Master Purchase Agreement, the Purchaser shall be entitled to set-off (i) any amount due and payable by the Purchaser to the Subordinated Depositor in respect of the Subordinated Deposit and (ii) any amount due and payable by the Subordinated Depositor to the Purchaser under this Agreement or any of the Transaction Documents.

CHAPTER V - GENERAL PROVISIONS

ARTICLE 9. REPRESENTATIONS AND WARRANTIES

The Subordinated Depositor hereby represents and warrants to the Purchaser, as follows:

- (i) it is a liability company duly incorporated and validly existing under Dutch law and has the capacity (a) to carry on its business, as currently conducted, and to own all of the assets appearing on its balance sheet, except where not having such capacity would not be reasonably likely to result in a Material Adverse Effect, and (b) to enter into and perform its obligations under this Master Subordinated Deposit Agreement;
- (ii) the execution of this Master Subordinated Deposit Agreement does not require any authorisation with respect to the Subordinated Depositor that has not already been obtained and communicated to the Purchaser, unless, in the case of any Governmental Authorisation, the failure to obtain such authorisation would not be reasonably likely to result in a Material Adverse Effect;
- (iii) the execution of this Master Subordinated Deposit Agreement and the performance of the obligations under this Master Subordinated Deposit Agreement do not contravene any of the provisions of the Subordinated Depositor's articles and memorandum of association, agreements or undertakings to which it is a party or by which it is bound, and do not in any manner contravene the statutes and regulations applicable to it, except, in each case, to the extent that no Material Adverse Effect would result from such breach;
- (iv) the obligations arising out of this Master Subordinated Deposit Agreement are binding on the Subordinated Depositor and enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally;

- (v) in the event that, in accordance with the provisions of this Master Subordinated Deposit Agreement and the General Master Purchase Agreement, the Subordinated Depositor is not repaid in full on the Program Expiry Date, the Subordinated Depositor shall incur any losses out of its own business, and the Purchaser shall not be liable, in any manner whatsoever, in this respect (except, as the case may be, as provided in article 4.2 (b) of the General Master Purchase Agreement); and
- (vi) the constitution of the Subordinated Deposit as cash collateral (affectation a titre de gage-especes) in favour of the Purchaser, as set forth in Article 10 below, complies with the Subordinated Depositor's corporate interest and does not exceed its financial capabilities; the Subordinated Depositor has entered into Intercompany Arrangements with the Sellers and GOODYEAR DUNLOP TIRES EUROPE B.V., pursuant to which the Subordinated Depositor shall receive from each Seller any necessary consideration for making the Subordinated Deposit and shall be indemnified as is appropriate by each Seller and GOODYEAR DUNLOP TIRES EUROPE B.V. in respect of the losses incurred by the Subordinated Depositor as a result of the Subordinated Deposit made under this Master Subordinated Deposit Agreement.

CHAPTER VI - CASH COLLATERAL

ARTICLE 10. APPLICATION OF THE SUBORDINATED DEPOSIT AS CASH COLLATERAL FOR THE BENEFIT OF THE PURCHASER

10.1 The Subordinated Depositor hereby irrevocably agrees that the Subordinated Deposit made under this Master Subordinated Deposit Agreement shall, by virtue of this Article, be pledged and consequently applied as cash collateral (affecte a titre de gage-especes) by the Centralising Unit in favour of the Purchaser until the Program Expiry Date, to secure the payment of (i) any sum due by the Debtors to the Purchaser in respect of the Sold Receivables and (ii) any sum due to the Purchaser by any Seller or the Centralising Unit pursuant to the Transaction Documents.

The Subordinated Depositor hereby irrevocably agrees that the pledge and application of the Subordinated Deposit as cash collateral (affectation du depot subordonne a titre de gage-especes) in favour of the Purchaser shall transfer to the Purchaser the ownership of those sums received under the Subordinated Deposit.

10.2 The cash collateral (gage-especes) shall be deemed created and effective as of the date on which the Subordinated Deposit is made with the Purchaser.

10.3 The obligation of the Purchaser to transfer back to the Subordinated Depositor the Subordinated Deposit (creance en restitution) shall automatically be reduced by any principal amount paid by the Purchaser to the Subordinated Depositor on account of the Subordinated Deposit in accordance with Article 7 above.

10.4 The outstanding amount of the Subordinated Deposit, as of the Program Expiry Date shall be applied by the Purchaser against the aggregate of (a) any remaining sums due to the

Purchaser in respect of the Sold Receivables, and (b) any remaining sums due to the Purchaser by the Sellers or the Centralising Unit pursuant to the Transaction Documents, remaining due as of the Program Expiry Date,

The amount so applied shall automatically reduce the obligation of the Purchaser, to transfer back the outstanding amount of the Subordinated Deposit to the Subordinated Depositor (creance en restitution).

CHAPTER VII - MISCELLANEOUS

ARTICLE 11. FEES AND EXPENSES

The Subordinated Depositor, in the name and on behalf of the Sellers, shall bear, in particular, any costs and expenses incurred by CALYON as arranger, EUROFACTOR as Agent, and ESTER FINANCE, in accordance with article 29 of the General Master Purchase Agreement.

ARTICLE 12. SUBSTITUTION AND AGENCY

Each Party shall have the right to be assisted by, to appoint or to substitute for itself one or more third parties in the performance of certain tasks provided that:

- (i) such Party has given prior written notice of the exercise of that right to the other Parties;
- (ii) such Party remains liable to the other Parties for the proper performance of those tasks and that the relevant third party/parties has or have expressly renounced any right to any contractual claim against the other Parties;
- (iii) the relevant third party/parties undertake(s) to comply with all obligations binding upon such Party under this Master Subordinated Deposit Agreement; and
- (iv) the substitution, assistance or agency shall not entail an increase in the costs incurred by the other Parties.

The Parties acknowledge however that, in order to avoid doubt, this Article shall not apply to the Subordinated Depositor in respect of the making of the Subordinated Deposit.

ARTICLE 13. CONFIDENTIALITY

For the purposes to this Master Subordinated Deposit Agreement, the Parties agree to be bound by the provisions relating to confidentiality as provided for by article 31 of the General Master Purchase Agreement.

ARTICLE 14. TRANSFERABILITY OF THIS AGREEMENT

Subject to article 12 above, this Master Subordinated Deposit Agreement is concluded on the intuitu personae of the Parties to this Master Subordinated Deposit Agreement. Therefore, none of the Parties may transfer this Master Subordinated Deposit Agreement, or its rights and/or obligations hereunder, to any third party whatsoever, without the prior written consent of the other Parties.

ARTICLE 15. NOTICES

15.1. Except as otherwise set forth in the Transaction Documents, all notices, requests or communications which must or may be made pursuant to this Master Subordinated Deposit Agreement shall be by way of writing, mail or fax.

15.2. All notices, requests or communications to be made and all documents to be delivered from one Party to the other Party under the Master Subordinated Deposit Agreement shall be made and delivered to the addressees referred to in schedule 7 to the General Master Purchase Agreement.

15.3. All notices, requests or communications made and all documents delivered under the Master Subordinated Deposit Agreement shall only take effect upon the date of their receipt by its addressee.

15.4. Each of the Parties may at any time modify the addressee of the notices, requests or communications to be made and the documents to be delivered to it under the Master Subordinated Deposit Agreement by sending to that effect a letter or fax to the other Party indicating the name of the new addressee.

15.5. The Parties agree that the Centralising Unit shall be responsible for receiving written notice on behalf of the Sellers, and that any notice given by the Purchaser to the Sellers and delivered to the Centralising Unit shall be deemed validly received by all of the Sellers upon receipt by the Centralising Unit.

ARTICLE 16. EXERCISE OF RIGHTS

16.1 All rights conferred on the Purchaser under this Master Subordinated Deposit Agreement or by any other document delivered pursuant to or incidental to this Master Subordinated Deposit Agreement or any Transaction Document, including rights conferred by law, shall be cumulative and may be exercised at any time.

16.2 The fact that the Purchaser or the Subordinated Depositor does not exercise a right or delays in doing so shall in no way be construed as a waiver of that right. The exercise of any right or a partial exercise shall not prevent the Purchaser or the Subordinated Depositor from exercising such a right again in the future, or from exercising any other right.

ARTICLE 17. INDIVISIBILITY

Each Party acknowledges that the General Master Purchase Agreement, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall form a single set of contractual rights and obligations and that, if the General Master Purchase Agreement, or the Master Complementary Deposit Agreement becomes void or ceases to be effective and enforceable for any reason whatsoever, this Master Subordinated Deposit Agreement shall also become void or cease to be effective and enforceable accordingly. Any payment already made by the Centralising Unit acting in the name and on behalf of the Sellers or on its own behalf to the Purchaser under this Master Subordinated Deposit Agreement, the General Master Purchase Agreement, the Receivables Purchase Agreements, the Master Subordinated Deposit Agreement and the Master Complementary Deposit Agreement shall not be affected by such a nullity, ineffectiveness or unenforceability.

ARTICLE 18. PARTIAL INVALIDITY

If one or more provisions of this Master Subordinated Deposit Agreement is or becomes invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any Party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such Party or Parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other Party or Parties hereto.

Such invalid, illegal or unenforceable provision shall be replaced by the Parties to such contract with a provision which comes as close as reasonably possible to the intentions of the invalid, illegal or unenforceable provision. Any fees, costs and expenses incurred by the Parties in connection with any amendment necessary or advisable pursuant to this Article shall be borne exclusively by the Subordinated Depositor.

ARTICLE 19. AMENDMENTS

No amendment to this Master Subordinated Deposit Agreement may be made without the written consent of each other Party thereto and (a) unless the Rating Agencies (i) have been informed and provided by the Arranger with all necessary details they may require in respect of such contemplated amendment and (ii) have confirmed that the contemplated amendment will not entail a downgrading or withdrawal of the current ratings of any Notes issued by the Issuers, or that the contemplated amendment will reduce a downgrading or withdrawal which would otherwise occur, but for such amendment being made, and (b) each Issuer and each Liquidity Bank has given its prior written consent to such amendment (such consent not being unreasonably withheld or delayed).

ARTICLE 20. LIMITED RECOURSE - NON PETITION

20.1. Limited recourse

Each of the Parties agrees to limit their respective claims and recourse against ESTER FINANCE (including in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations hereunder) to the amount of the Available Funds on the relevant date.

20.2. Non Petition

Each of the Parties irrevocably and unconditionally undertakes and agrees:

- (a) not to exercise any rights of contractual or other recourse which it may have against ESTER FINANCE in the event of a breach by ESTER FINANCE of any of its representations and warranties, or any of its obligations under this Master Subordinated Deposit Agreement, except in the event of the gross negligence (faute lourde) or wilful misconduct (dol) on the part of ESTER FINANCE; and
- (b) not to institute any legal proceedings, take other steps or institute other proceedings against ESTER FINANCE, the purpose or effect of which is the appointment of a conciliator or an ad hoc agent, or the opening of receivership proceedings or insolvency proceedings (redressement judiciaire or liquidation judiciaire) or any other similar proceedings.

ARTICLE 21. GOVERNING LAW - JURISDICTION

21.1 This Master Subordinated Deposit Agreement shall be governed by French law.

21.2 Any dispute as to the validity, interpretation, performance or any other matter arising out of this Master Subordinated Deposit Agreement shall be subject to the jurisdiction of the competent courts of Paris (Cour d'appel de Paris). The choice of this jurisdiction is entirely for the benefit of the Purchaser which shall retain the right to bring proceedings in any other competent court.

Executed in four (4) originals in Paris on 10 December, 2004.

ESTER FINANCE

Name :
Title :

GOODYEAR DUNLOP TIRES FINANCE EUROPE B.V.

Name :
Title :

EUROFACTOR

Name :
Title :

CALYON

Name :
Title :

Name :
Title :

Defaulted ratio (m) = Defaulted Receivables (m) / Turnover (m-[X+1])

(**) Theoretical DSO corresponds to the average theoretical condition of payment of invoicing as provided by the Seller at each follow up audit

(***) Loss horizon is equal to theoretical DSO plus the Defaulted Receivables period plus 5 days.

2. DILUTION RESERVE

- Dilution horizon : 1 month (****)
- Stress factor (SF) : 2,25

DILUTION RESERVE (m) = [{SF * ED} + {DS - ED}*{DS/ED}] * DHR (m)

Expected Dilution (ED) = average Dilution ratio within the last 12 months

Dilution ratio (m) = Net Credit Notes(m)/Turnover (m-1)

Net credit notes (m) = new Credit Notes issued during the relevant month, based on the reporting template filled monthly by each seller, excluding any Miscellaneous Accounting Credit Entries

Dilution Spike (DS) = Maximum Dilution ratio within the last 12 months

Dilution horizon ratio (DHR) = Turnover (m) / [Outstanding Amount of Sold Receivables as of the end of month m - Outstanding Amount of Defaulted Receivables as of the end of month m - Outstanding Amount of Net Miscellaneous Receivables as of the end of month m]

(****) Dilution horizon is equal to the estimated average amount of time elapsed from the creation of an Eligible Receivable to the issuance of a Credit Note pertaining thereto.

3. FLOOR RESERVE

FLOOR RESERVE (m) = [Concentration factor (m) + Dilution component (m)]

Concentration factor (m) - {Maximum [sum of the SRO on the 5 debtors groups with the largest SRO who are non rated or non investment grade; sum of the SRO of the 3 debtors groups with the largest SRO who are rated A-3; sum of the SRO of the 2 debtors groups with the largest SRO rated A-2; SRO for debtor group with the largest SRO rated A-1]} / Outstanding Amount of Eligible Receivables as of "m"

SRO	= Outstanding Amount of Eligible Receivables, on the relevant Assessment Date
Debtors Group	= means a group of debtors for which a parent company owns 50% + 1 of voting rights.
Dilution component (m)	= Expected Dilution (m) * Dilution horizon ratio (m)

4. YER RESERVE

YER RESERVE (m) = Maximum Consolidated YER 1(m) / [Outstanding Amount of Sold Receivables as of the end of month m - Outstanding Amount of Defaulted Receivables as of the end of month m - Outstanding Amount of Net Miscellaneous Receivables as of the end of month m]

1 Consolidated YER declared in the Assessment Report

5. CUSTOMER / SUPPLIER RESERVE

CUSTOMER / SUPPLIER RESERVE (m) = Customer - Suppliers outstanding 2 (m) / [Outstanding Amount of Sold Receivables as of the end of month m - Outstanding Amount of Defaulted Receivables as of the end of month m - Outstanding Amount of Net Miscellaneous Receivables as of the end of month m]

2 Customer- Suppliers outstanding such as declared in the Assessment Report

6. DISCOUNT RESERVE RATE

Discount reserve rate = Discount Reserve (1) / [Outstanding Amount of Sold Receivables on such Settlement Date (2) - Outstanding Amount of Defaulted Receivables on such Settlement Date (3) - Outstanding Amount of Net Miscellaneous Receivables on such Settlement Date

With:

- (1) The Discount Reserve is defined in Schedule 1 of the GMPA.
- (2) Taking into account Purchasable Receivables to be purchased on such Settlement Date
- (3) Excluding any such receivables that, after becoming Doubtful Receivables, have been repurchased.

By exception, the Overcollateralisation Rate for the Initial Settlement Date will be fixed at 30%.

PERFORMANCE RECOGNITION PLAN

of

THE GOODYEAR TIRE & RUBBER COMPANY
-----Effective January 1, 2003
(hereinafter called the "Plan")

I. PURPOSE AND POLICY

It is the declared policy of the Board of Directors of The Goodyear Tire & Rubber Company, in order to provide incentive for extra effort, that key personnel of the Company shall be compensated in addition to their fixed compensation by participation in a performance recognition plan. Such key personnel shall be selected, as hereinafter provided, from the elected officers and other key employees of the Company.

The Plan is designed to reinforce Participant effort and responsibility towards achieving the total Company business objectives, the objectives of specific business units and objectives established for individual Participants. Awards to Participants provided under this Plan will vary to the extent these goals and objectives are attained. The basic intent is to tie Awards directly to results that reflect Company growth and success achieved through customer satisfaction, quality products and enhanced shareholder value.

The Plan shall be subject to discontinuance, or amendment by the Board of Directors, at any time.

II. DEFINITIONS

For purposes of the Plan, the following terms shall have the following meanings:

A) Award. Cash payments approved by the Committee and made pursuant to the objectives established pursuant to the Plan in respect of any Plan Year.

B) Company. The Goodyear Tire & Rubber Company or any of its subsidiaries and affiliates.

C) Participant. With respect to any Plan Year, a salaried employee of the Company who has been selected by the Committee to receive an Award under the Plan for such Plan Year subject to the attainment of the established goals and objectives.

D) Plan Year. Each period of one year beginning January 1 and ending December 31, commencing January 1, 2003.

E) Retirement. Termination of employment at any age with 30 or more years of continuous service with the Company and its subsidiaries or at age 55 or older with at least 10 years of continuous service with the Company and its subsidiaries.

III. THE COMMITTEE

The Plan shall be administered by a Committee, the "Committee", to be comprised of each member of the Compensation Committee of the Board of Directors of the Company, as such Committee is constituted from time to time, that is neither an employee or an officer of the Company and is not participating, and has not and will not participate, in the Plan. Action by the Committee pursuant to any provision of the Plan may be taken at any meeting held upon not less than five days' notice of its time, place and purpose given to each member, at which meeting a quorum of not less than four members is present. If less than a majority of the whole Committee is present, such action must be by the unanimous vote of those present, otherwise by a majority vote. The minutes of such meeting (signed by its secretary) evidencing such action, shall constitute authority for Goodyear to proceed in accordance therewith.

IV. TARGET BONUS

Each Participant in a Plan Year is granted a target bonus with respect to such Plan Year which is subject to adjustment between zero percent and such amount as the Committee may determine, depending upon the extent to which the business goal or goals established for the Participant for such Plan Year are achieved.

V. SELECTION OF PARTICIPANTS

A) With respect to each Plan Year, the consultation with the Chief Executive Officer of the Company (or, if he be unavailable, with the next ranking officer of the Company who may be available), the Committee shall determine the Participants and establish their respective target bonuses for such Plan Year. The Committee shall also review and approve the goals established for the Participants for such Plan Year. As to such determination, the Committee may rely, to the extent it deems available, upon any information and recommendations obtained from the officer so consulted. As soon as practicable after the selection of Participants for a Plan Year, the Company shall notify them of their participation and target bonuses for such Plan Year.

B) A list, certified by the Committee (or by the officers as to action pursuant to subparagraph A above), shall evidence the

determination of those persons who are Participants in the Plan for such Plan Year and their respective target bonuses and goals therein.

C) With respect to employees who are not officers of Goodyear, the Chairman of the Board of the Company may add such employees as Participants in the Plan during a Plan Year and report such additional Participants to the Committee from time to time.

D) The Chairman of the Board of the Company may, at his discretion, terminate the participation of any associate in the Plan at any time and may reduce or eliminate the target bonus granted to any associate for any Plan Year at any time prior to the payment of an Award in respect of such grant.

VI. PAYMENT POOL

A pool for the payment of Awards will be established equivalent to the total of the adjusted target bonus amounts as determined in Section IV hereof for all Participants in the plan.

VII. PAYMENT

The Committee, at its sole discretion, shall determine if a payment from the pool shall be made to Participants in respect of any Plan Year notwithstanding the fact that the established goals and objectives may have been achieved. If the Committee determines that there will be a payment in respect of a Plan Year, payment of Awards due Participants with respect to the Plan will be made after the close of such Plan Year once the achievement of the performance goals have been determined for funding the pool. All Awards are contingent upon the achievement of the stated performance goals for the Plan Year and a determination by the Committee that a payment shall be distributed to Participants in respect of such Plan Year. The amount of individual Awards will be based upon individual performance as assessed under the performance management program. All Awards shall be in cash except to the extent converted into deferred stock unit awards as provided in Section VIII hereof. There shall be deducted from each Award under the Plan the amount of any tax required by governmental authority to be withheld and paid over by the Company to such government for the account of a Participant entitled to an Award.

VIII. DEFERRAL OF PAYMENT

The Committee, in its sole discretion, may allow certain Participants in the Plan to convert all or a portion of their Award into deferred stock units granted under the 2002 Performance Plan of the Company. If permitted by the Committee,

such Participants may elect to convert 25%, 50%, 75% or 100% of their Award into the deferred stock unit account for a period of three years. The amount of the Award that would be converted into the deferred stock unit account will be increased by 20%. The number of units deferred will be determined by dividing the amount of the deferral by the Fair Market Value of the common stock of the Company on the date the payout is approved by the Committee. The Committee may authorize dividend equivalents at the same rate as the quarterly dividends on the Company's common stock, to be reinvested in the deferral account each quarter at the time the Company pays its dividends. After December 31 of the calendar year following three years from the end of the Plan Year the deferred stock unit accounts will be converted to shares of the Company's common stock and issued to the Participant less amounts withheld to satisfy any tax withholding requirements.

IX. CHANGE IN PARTICIPANT'S STATUS

A) Any Participant who is not an employee of the Company on December 31 of a Plan Year forfeits his or her participation for such Plan Year unless employment termination was due to the employee's death or Retirement.

B) Any Participant whose employment terminates due to Retirement shall have their target bonus prorated for the Plan Year during which the associate's last day worked occurred. Such pro rata target bonus is calculated by multiplying the percentage of days actually worked of the year (ie, number of days worked divided by 365) by the target bonus. Notwithstanding the above, a Participant who, after Retirement, enters into a relationship either as an employee, consultant, agent or in any manner whatsoever with an entity that sells products in competition with products sold by the Company and its subsidiaries, forfeits the right to receive a distribution under this Plan in respect of such Plan Year. In the event such Participant enters into such a relationship with a competitor within six months from a distribution under this Plan during such Plan Year, the Participant agrees to refund to The Goodyear Tire & Rubber Company any such distribution the Participant had received.

C) Any Participant whose employment status changes during a Plan Year due to layoff, leave of absence or disability shall have their target bonus prorated, subject to the adjustment as provided for in Section IV hereof. Such pro rata target bonus is calculated by multiplying the percentage of days actually worked during the Plan Year (ie, number of days worked divided by 365) by the target bonus for such Plan Year.

D) A Participant whose employment terminates during a Plan Year due to death shall have their target bonus for such Plan Year prorated and the prorated target bonus shall not be adjusted under Section IV hereof. Such pro rata bonus is based on days actually worked during such Plan Year and calculated in the same manner as

if the Participant had retired and distribution of the bonus shall be made to the participating employee's executors, administrators, or such other person or persons as shall, by specific bequest under the last will and testament of the participating employee, be entitled thereto.

X. MISCELLANEOUS CONDITIONS

The Plan and all participation therein shall be subject to the following conditions:

A) For all purposes of the Plan, termination of a Participant's employment shall be deemed to have occurred whenever he or she is no longer employed by the Company.

B) Nothing in the Plan shall obligate the Company with respect to tenure of office or duration of employment of any Participant or to provide for or continue participation in the Plan by any Participant in the Plan for any Plan Year in respect of any subsequent Plan Year.

C) All right, title and interest in the Plan shall be personal to the Participant and not subject to voluntary or involuntary alienation, hypothecation, assignment or transfer, except that participation is subject to forfeiture as provided in Section VII hereof.

D) The Committee shall have power finally to interpret any of the provisions of the Plan and to lay down any regulations not inconsistent herewith for its administration.

E) Nothing in the Plan shall prevent or interfere with any recapitalization or reorganization of the Company or its merger or consolidation with any corporation. In any such case, the recapitalized, reorganized, merged, or consolidated Company shall assume the obligations of the Company under the Plan or such modification hereof as, in the judgment of the Board of Directors, shall be necessary to adapt it to the changed situation and shall provide substantially equivalent benefits to the Participants.

F) The Company may terminate, suspend, amend, modify or otherwise act in respect of the Plan at any time and from time to time.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<TABLE>
<CAPTION>

(Dollars in millions)	6 Months	12 Months Ended December 31,				
	Ended June 30,	2004	2003	2002	2001	2000
	2005	2004	2003	2002	2001	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income (loss) before income taxes	\$ 289	\$ 323	\$ (690)	\$ (19)	\$ (339)	\$ 70
Add:						
Amortization of previously capitalized interest	5	11	11	10	10	10
Minority interest in net income of consolidated subsidiaries with fixed charges	56	63	36	57	28	45
Proportionate share of fixed charges of investees accounted for by the equity method	-	-	7	5	4	6
Proportionate share of net loss of investees accounted for by the equity method	-	1	21	17	43	29
Total additions	61	75	75	89	85	90
Deduct:						
Capitalized interest	3	7	8	7	2	12
Minority interest in net loss of consolidated subsidiaries	3	6	15	5	15	8
Undistributed proportionate share of net income of investees accounted for by the equity method	-	6	4	2	-	3
Total deductions	6	19	27	14	17	23
TOTAL EARNINGS	\$ 344	\$ 379	\$ (642)	\$ 56	\$ (271)	\$ 137
FIXED CHARGES						
Interest expense	\$ 203	\$ 369	\$ 296	\$ 243	\$ 298	\$ 283
Capitalized interest	3	7	8	7	2	12
Amortization of debt discount, premium or expense	18	61	44	9	6	1
Interest portion of rental expense (1)	23	91	89	76	74	73
Proportionate share of fixed charges of investees accounted for by the equity method	-	-	7	5	4	6
TOTAL FIXED CHARGES	\$ 247	\$ 528	\$ 444	\$ 340	\$ 384	\$ 375
TOTAL EARNINGS BEFORE FIXED CHARGES	\$ 591	\$ 907	\$ (198)	\$ 396	\$ 113	\$ 512
RATIO OF EARNINGS TO FIXED CHARGES	2.39	1.72	*	1.16	**	1.36

* Earnings for the year ended December 31, 2003 were inadequate to cover fixed charges. The coverage deficiency was \$642 million.

** Earnings for the year ended December 31, 2001 were inadequate to cover fixed charges. The coverage deficiency was \$271 million.

(1) Interest component of rental expense is estimated to equal 1/3 of such expense, which is considered a reasonable approximation of the interest factor.

CERTIFICATION

I, Robert J. Keegan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Goodyear Tire & Rubber Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2005

/s/ Robert J. Keegan

Robert J. Keegan
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Richard J. Kramer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Goodyear Tire & Rubber Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2005

/s/ Richard J. Kramer

Richard J. Kramer
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18,
UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), each of the undersigned officers of The Goodyear Tire & Rubber Company, an Ohio corporation (the "Company"), hereby certifies with respect to the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2005 as filed with the Securities and Exchange Commission (the "10-Q Report") that to his knowledge:

- (1) the 10-Q Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert J. Keegan

Robert J. Keegan,
President and Chief Executive Officer
of
The Goodyear Tire & Rubber Company

/s/ Richard J. Kramer

Richard J. Kramer,
Executive Vice President and Chief Financial Officer
of
The Goodyear Tire & Rubber Company

Dated: August 4, 2005