



ONE
REVOLUTION
AHEAD



1998 FINANCIAL HIGHLIGHTS

Dollars in millions, except per share

Year Ended December 31,

	1998	1997
NET SALES	\$12,626.3	\$13,065.3
INCOME FROM CONTINUING OPERATIONS	717.0	522.4
– PER DILUTED SHARE	4.53	3.30
NET INCOME	682.3	558.7
– PER DILUTED SHARE	4.31	3.53
ASSETS	\$10,589.3	\$ 9,917.4
DEBT	1,975.8	1,351.2
EQUITY	3,745.8	3,395.5
DEBT TO DEBT AND EQUITY	34.5%	28.5%
CASH DIVIDENDS PER SHARE	\$ 1.20	\$ 1.14
COMMON SHARES OUTSTANDING	155,943,535	156,588,783
SHAREHOLDERS OF RECORD	28,348	29,198
AVERAGE NUMBER OF ASSOCIATES	96,950	95,472

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The models in this report are children of Goodyear associates. They are listed in order of appearance: Lindsey Domokur, Marlia Fontaine, Troy John Geer, Michelle Lea Queer, Edward Nguyen, Heather Appleby and Matthew Appleby.

Cover Tire: Goodyear Extended Mobility Technology (EMT) run-flat concept tire

Cover Concept vehicle: Ford GT 90

WHAT WILL THE NEXT GENERATION OF DRIVERS LOOK FOR IN THE NEXT GENERATION OF GOODYEAR?

How will we satisfy the demands of the most technologically savvy, mobile bunch of people ever to own wheels? By jumping in the fast lane to reinvent our products, our marketing, our presence, our company. With intelligent tires that think for themselves. Computer imaging, virtual reality and myriad other technologies that assist in developing and testing designs and materials, raising tire I.Q. and streamlining the development and manufacturing processes. By providing a diverse, flexible workplace to attract and retain top-quality associates. By continuing to build our global presence—moving in the fast lane to keep Goodyear One Revolution Ahead.



TO OUR SHAREHOLDERS:

Goodyear's 100th year defined our ability to deal swiftly with unanticipated economic adversity while aggressively positioning the company for profitable growth and industry leadership.

We are a century old and 100 years young, and around us, one millennium gives way to the next. Our history gives way to our future.

As Fortune Magazine's Most Admired Company in the rubber and plastics industry and one of the most admired in the "engineering" sector of the Financial Times/PricewaterhouseCoopers "World's Most Respected Companies" survey, we intend to lead the tire and rubber industry into the next millennium.

To that end, 1998 brought mixed results.

While we managed well many aspects of an undeniably difficult year, we were disappointed that some of our results were not as strong as we had anticipated. Several factors contributed, including macroeconomic turmoil, competitive pricing pressures in several regions and currency translation.

Nonetheless, we delivered respectable financial results when almost one-third of our earnings historically have come from regions of the world now battling recession.

Income from continuing operations surpassed 1997's level, and comparable diluted earnings per share of \$4.53 compared favorably with 1997's \$3.30.

Tire unit sales worldwide surpassed 1997 levels as higher replacement sales in Europe and North America more than offset lower original equipment sales in Asia and Latin America, although dollar sales were disappointing in part due to currency translation and competitive pricing.

However, we continued to reposition the company for future profitable growth in this more challenging, volatile and competitive global economy. We sold the All American Pipeline and related Celeron companies, as well as other non-core Engineered Products businesses and extraneous real estate.

Other measures also were taken to implement our strategic plan — all dedicated to honing our leadership in areas that will yield a sustainable competitive advantage today and into the next millennium. Clearly, we must be One Revolution Ahead in the eyes of all our constituencies and in our industry if we are to meet our ambitious goals to be the industry's best and biggest.

To be One Revolution Ahead signifies an uncompromising commitment to technology, cost and quality that brings products to the market for a new generation of technically sophisticated drivers...adapting rapidly to economic conditions to deliver financial results and reward our shareholders...making strategic investments in growth...and developing and empowering a diverse workforce capable of leading the industry.

INDUSTRY LEADERSHIP AND CONSOLIDATION

A major global alliance with Sumitomo Rubber Industries/Dunlop was announced in February, which will restore Goodyear as the world's largest tire company and recapture the top position in the tire industry. Foundations

for this partnership were established in the offtake and test-marketing programs reached in 1997 and 1998.

The alliance provides a unique opportunity for Goodyear and SRI/Dunlop to build on our individual and collective strengths to provide customers worldwide with a deeper, broader level of high quality, cost effective tire products grounded in world-class technology and a range of services, only available through our combined strengths.

The benefits of this landmark agreement are substantial:

- ▶ Goodyear's annual top-line sales will grow by approximately \$2.5 billion, about 20 percent;
- ▶ In global market share, sales of approximately 22 percent will make Goodyear the tire industry leader;
- ▶ In the U.S. replacement market, we will extend our North American leadership, adding \$800 million in annual sales;
- ▶ Our total annual sales in Europe will approach \$5 billion, putting Goodyear in a strong number two position in that market;
- ▶ Through a much closer relationship with the major Japanese original equipment accounts, our goal is to significantly increase our OE share and our replacement share in Japan by the year 2005;
- ▶ Rights to the Dunlop brand in the United States, Canada, Mexico and Europe will enrich our marketing position by providing a highly regarded second brand to effectively compete with our competitors' entries;
- ▶ Over the next three years, Goodyear expects to realize substantial synergies, yielding cost savings of \$300 million to \$360 million; and

- ▶ Last but not least, this transaction, which is accretive from the day it goes into effect, has been designed to preserve the strength of our balance sheet and Goodyear's financial flexibility for future growth: Earnings per share will increase the day the venture goes into effect, and our debt to debt plus equity will remain around the 40 percent level by the end of 1999 and is expected to return to just more than 30 percent by the end of 2000.

The agreement establishes four business and two functional joint ventures. Goodyear will own 75 percent of SRI/Dunlop's North American tire operations, which will remain separate from our existing North American Tire business unit. A European joint venture, in which we also hold a 75 percent interest, will include tire assets and operations owned by both companies but will not include our European chemical division, mold, steel and fabric facilities or tire operations in Poland, Slovenia, Turkey, Morocco and South Africa.

In Japan, Goodyear will establish a stronger foothold through two sales joint ventures, one for OE and one for replacement tires, which will be 25 percent owned by Goodyear.

The difference between the value of the respective businesses being consolidated will be settled through a balancing cash payment of approximately \$936 million paid by Goodyear to SRI. And, separately, Goodyear will acquire a 10 percent interest in SRI and SRI will acquire an equivalent dollar value of Goodyear shares.

In addition, two support service joint ventures will be formed, involving technology sharing, which will be 51 percent Goodyear-owned, and global purchasing, where Goodyear will own an 80 percent stake.

“We intend to lead the tire and rubber industry into the next millennium.”

Our ascent to the top is resulting from a total team effort — a world-class performance by a dedicated, focused, global team. Its achievement will mark a crucial step in our Mission Into the 21st Century, a strategy focused on leadership aimed at:

- ▶ *Becoming the industry leader as the best tire and rubber company in the world;*
- ▶ *Achieving a leadership position in all markets;*
- ▶ *Fast, profitable growth in our core businesses; and*
- ▶ *Becoming the low-cost producer of the world's top-tier rubber companies.*

Simultaneous with our landmark SRI/Dunlop alliance, we added depth, flexibility, new markets and shareholder value through equity increases in all regions. During 1998, more than \$300 million was invested to establish a controlling interest in Slovenia and increase our equity position in The Philippines, Poland, Turkey, Guatemala, Sumatra and Thailand, and we assumed full ownership of Contred in South Africa, and Brad Ragan in the United States.

An agreement also was reached to purchase the remaining half of South Asia Tyres Ltd., a joint venture with RPG's Ceat Tyre subsidiary in India.

Concurrent with an investment to strengthen Nippon Giant Tire in the global earthmover and over-the-road markets, we gained a controlling interest in that joint venture with Toyo Tire & Rubber Company by acquiring 15 percent formerly held by Mitsubishi.

GLOBALIZATION AND GROWTH

The close of 1998 found the tire industry challenged by the world's economic environment, and we succeeded in gaining greater flexibility in offsetting unanticipated negative events.

We've strengthened our distribution in the U.S. with investments in several major tire and service dealerships and extended our retread capabilities.

In Luxembourg, a major expansion of our Technical Center is underway. Rationalization, modernization and expansion is completed, progressing or planned for all major units in Luxembourg.

An Engineered Products Conveyor Belting Technical Center was completed to support development of new products, a calender was added in Uitenhage, South Africa, to increase capacity, and a new power transmission automotive and industrial belt plant in Chihuahua, Mexico, will begin production by mid-1999.

Final-finish and component preparation equipment was added at Union City, Tennessee, as the first step in a \$60 million investment, and \$40 million is allocated to modernize and increase medium radial truck tire production in Topeka, Kansas, and Danville, Virginia.

A \$35 million polymer expansion in Beaumont, Texas, has added capacity for Natsyn, a synthetic natural rubber replacement.

In Latin America and the Caribbean, we increased our OE sales support in Uruguay, Paraguay, Bolivia and Ecuador.

Final approval was given to link Goodyear and T&WA of Louisville, Kentucky, a minority-owned OE component supplier in which Goodyear becomes a partner. T&WA produces mounted/balanced tire and wheel units,

sequences completed assemblies and delivers just in time to automotive customers.

Expansion of North American Tire's distribution base continues with more outlets, increased market share in new distribution channels and product line offerings. Wal-Mart expanded Goodyear sales through 439 Sam's Club locations, and Penske Auto Centers signed a long-term agreement for 800 outlets through 2005.

In Germany, the Premio automotive retail network now offers Goodyear products.

New, efficient warehouse and distribution facilities were completed or under construction in Luxembourg, Germany and Turkey.

In North America, Logistics and Product Supply will integrate 33 logistics centers into 18 future locations and improve customer service. The new Obetz, Ohio, location opened in 1998, and construction continues on three other facilities.

The integration of Kelly-Springfield into North American Tire continues with Kelly's Cumberland, Maryland, offices closing by mid-1999. Efficiencies and product rationalization will eliminate expensive duplication across the

“Staying One Revolution Ahead means massive commitments to product and process technology.”

supply chain. Kelly's Technical Center operations also will be transferred to Akron on a different schedule.

In aviation tires, we are outfitting the Federal Express jet aircraft fleet, strengthening a supply relationship for FedEx's truck fleet with OE, replacement and retreaded tires; supplying Emery Worldwide's jet fleet with new and retreaded tires; and extending the contract to outfit Southwest Airline's aircraft with OE, replacement and retreaded tires.

PRODUCT TECHNOLOGY AND QUALITY

EMT (Extended Mobility Technology) run-flat tires have captured the attention of OE customers worldwide with approvals by General Motors, DaimlerChrysler and most recently BMW, and testing is underway by Alpha Romeo, Lexus and Toyota.

Run-flat technology also is garnering awards worldwide, including the prestigious 1998 Automobile Association Award for road safety features in the United Kingdom.

Investments continue in Ultra-Tensile Steel, the strongest tire reinforcement material. This strong micro alloy meets demanding high-performance tire requirements and led to run-flat technology for OE and replacement tires, which eventually will eliminate the spare in 75 percent of all vehicles.

Innovative new products remain a competitive advantage.



In Poland, a new truck tire plant at T.C. Debica, where Goodyear owns a 60 percent share, started production of radial steel/steel truck tires, increasing the plant's competitiveness.

Development and manufacturing will accelerate product introductions in the next three years, when more than 20 new passenger and light truck tire lines will be introduced to grow business and increase profitability. By the end of 2000, 80 percent of our lines will be less than three years old.

A four-tire North American new product launch kicked off 1998; European consumers were introduced to a new winter EMT tire; and the largest simultaneous tire introduction in Europe took place, featuring nine lines of commercial tires.

New products were rolled out globally for agricultural and commercial trucking applications, and in Latin America a regional launch introduced the new Quantum truck tire line.

Customer-driven engineered products and services also are speeding from development to the marketplace. To reduce development and test time by 60 percent for heavy-duty conveyor belts, we acquired the industry's largest splice-fatigue tester. Work also continues on "intelligent" products that self-monitor and communicate performance levels.

PROCESS TECHNOLOGY AND PRODUCTIVITY

Staying One Revolution Ahead means massive commitments to product and process technology. Since 1993, scientists at Goodyear and the U.S. Department of Energy's Sandia National Laboratories have collaborated on computational analysis tools in tire mechanics, materials and manufacturing to shorten product development time.

During the year, many upgrades to major manufacturing facilities are incorporating aspects of our IMPACT process technology, Goodyear's flexible, cellular manufacturing process that takes tire-manufacturing technology into the next millennium. New quality, cost and flexibility standards have been set while exceeding the quality of tires made with any other process.

IMPACT, the Integrated Manufacturing Precision Assembled Cellular Technology, is faster and more precise than today's production process and cuts in-process inventory and related equipment in half, compared to traditional tire manufacturing.

We took advantage of economies of scale, resulting in cost and quality improvements in our products.

Rationalization enabled us to exploit the strengths of each region and manufacturing facility, narrowing the range of their production and satisfying demand for high-quality products in the competitive world marketplace.

Four North American Tire plants began seven-day, continuous operations to improve efficiencies and increase production through low cost, incremental capacity to meet OE and replacement tire demand.

We were successful in providing high-quality, low-cost products from Latin America and Asia to the North American market, and we have converted our modern U.S. plants to continuous seven-day operations. As competitive pressures in the global marketplace continued emphasizing the need to rationalize manufacturing to our most efficient locations, we announced plans to cease tire manufacturing at our Gadsden, Alabama, plant. Tire production in the facility will be permanently discontinued by the end of 1999.

Concept vehicle: Acura TL-X

With Sava, Engineered Products gained its first manufacturing site on the European continent and can more readily participate in the \$4 billion global engineered-products market.

Sava strengthens our overall position in Central Europe and provides a low-cost supply base to provide broad-market tires in Western Europe.

Half of our product costs are raw materials, and we started a Preferred Supplier Quality award program, recognizing suppliers for measured, consistent quality. Purchasing also inaugurated a cost/quality program called Value Quest, involving 50 raw material suppliers providing \$3 billion in materials annually.

Quality offers a powerful competitive advantage, and facilities in all regions continued earning QS and ISO quality certifications.

PEOPLE DEVELOPMENT AND EDUCATION

Last year I reaffirmed our values—protecting our good name, focusing on customers, respecting and developing our people, and rewarding investors. These values are the core of our strengths and strategies and address all of our relationships with customers, associates and shareholders.

To prevail in the future requires harnessing every associate's imagination and energy and a mind-set that invites, encourages and requires participation in identifying and solving challenges to improve our products, processes and technologies. We are designing and implementing processes that create and maintain an environment to naturally enable all associates to reach their full potential.

To this end, our Associate Planning Process is a global catalyst extending our competitive advantage, promoting

individual initiative in pursuit of process improvement, exceeding customers' expectations and utilizing data to make quality decisions. The Associate Planning Process recognizes that we need to simultaneously meet the business needs identified in our strategic business plans and the growth needs of our associates. The process ensures alignment and consistency between the company's long-range objectives and each individual's daily activities by articulating a clear vision of the future that can be readily achieved by all associates.

Concurrent with the introduction of the Associate Planning Process, our global Business Conduct Manual was prepared and distributed. The manual supports our core values, philosophy and policies because we believe that company policy should impose obligations that often go beyond the requirements of local law.

We now are positioned to deliver results as the number one or two player in each of our major markets.

We are currently engaged in an extremely intense battle for market leadership around the world. We intend to take our newly restored industry leadership position and extend that win:

- ▶ *To do it profitably, responsibly and quickly.*
- ▶ *To do it in collaboration with our partners, our associates, our shareholders and our customers.*
- ▶ *To do it in every one of our businesses.*

It is how we have become—and how we intend to stay—One Revolution Ahead.

Respectfully submitted,



Samir G. Gibara

Chairman, Chief Executive Officer and President

WHAT WILL THE NEXT GENERATION OF DRIVERS LOOK FOR IN THE NEXT GENERATION OF GOODYEAR?

“Smart tires that never go flat and self-adjust to road conditions...that tell you when you’re pushing your luck in a curve and when they need to be changed.”

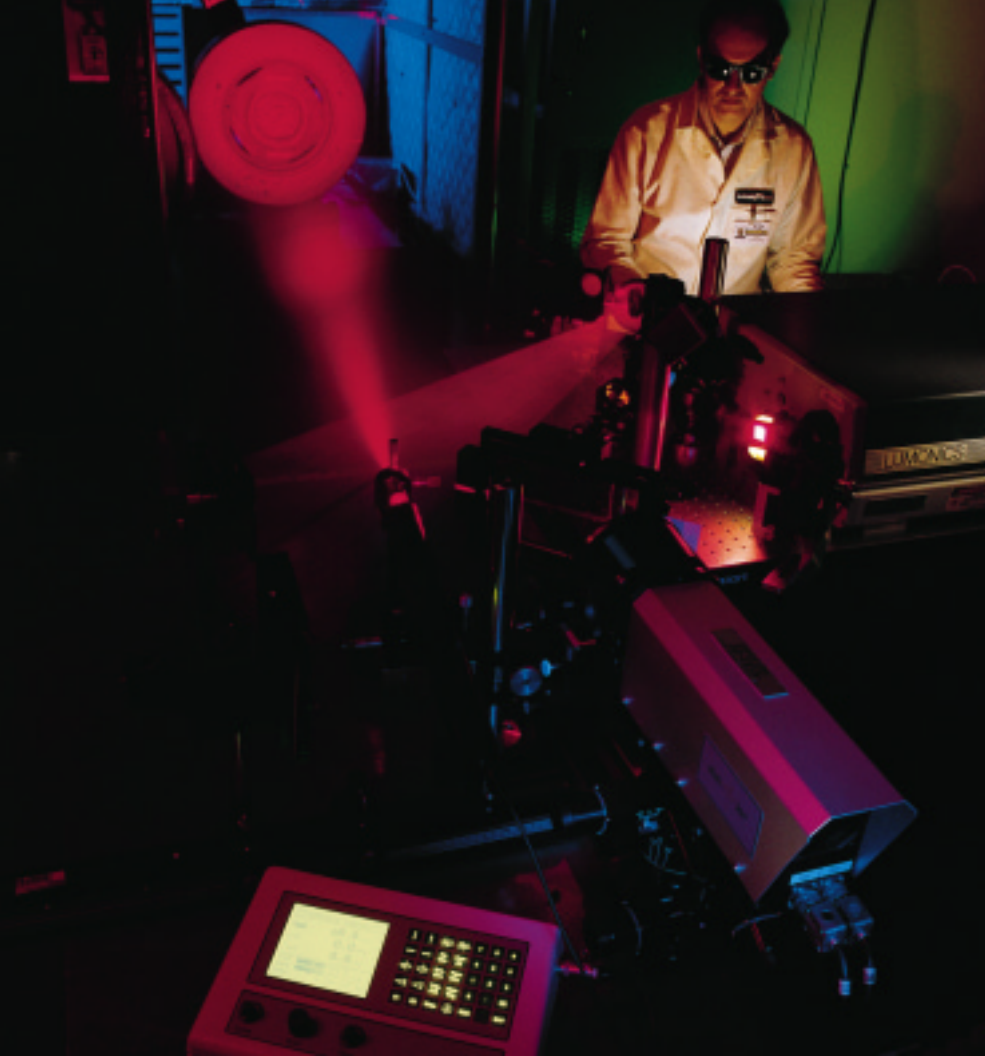
“A company that leads the industry worldwide through strategic acquisition and growth.”

“A progressive employer that appreciates workforce diversity.”

“A good, solid investment.”

“A company that cares about the environment as much as I do.”

Goodyear's vision and the company's indomitable spirit are focused on the challenges and opportunities of the next generation of customers, shareholders and associates. We are anticipating their needs and honing the technical and marketing expertise to exceed their expectations... A global leader with innovative products and services that deliver... A progressive, learning workplace that sharpens our competitive advantage... Sound financial practices and a strategy to enhance shareholder value... Socially and environmentally responsible. Not just for today, but for the next generation, their children, their grandchildren, their great-grandchildren, and so on. Building momentum for continued success to remain One Revolution Ahead.



▲ Pulse and continuous lasers are applied to a rolling tire in the analyses of structural vibrations and structure-borne noise radiation. These techniques also are used to perform shock wave analysis and aid structural optimization of tire composite materials.

► Original equipment Wrangler RT/S tires destined for sport utility vehicles spiral down the conveyor at the Napanee tire plant in Ontario, Canada.

Concept vehicle: Ford GT 90



GOODYEAR: ONE REVOLUTION AHEAD...

It takes vision, commitment and performance to achieve Goodyear's ambitious Mission Into the 21st Century. Identifying and leveraging sustainable competitive advantage. Delivering results. Staying ahead of the competition. Keeping focused. Ahead of our competitors to anticipate, meet and exceed the expectations of our customers, shareholders and the people who make Goodyear successful—our associates. It's all about staying One Revolution Ahead.

Physical, financial and human resources are channeled toward that goal. Massive commitments to product and process technology have positioned the company for unprecedented growth over the next five years.

It is setting new standards—for quality, technology, performance and innovation—and anticipating customers' desires before they know what they are.

Applying Goodyear's technological edge: IMPACT... EMT... Ultra-Tensile Steel... Experimenting with breakthrough designs and materials.

“...with tires that perform, going from 0 to 60 or 60 to 0 without a squeal and without ever going flat.”

It is a powerful competitive advantage accented by Goodyear's technological edge, its market research, and the ability to develop and test designs and materials, products and processes. Technical excellence developed in-house, at our worldwide tire and Engineered Product Technical Centers and in cooperation with Sandia National Laboratories.

It is an infusion of energy, enthusiasm and creative genius brought by 200 new scientists and engineers in a 12-month period.

Maybe that's why Goodyear has earned more original equipment approvals over the years than any other brand, including 49 car and light truck tire approvals in 1998 alone. And why Goodyear concept tires appear on leading-edge design concept cars crafted by the world's prestigious auto companies at all of the industry's leading auto shows.

Innovative transportation to meet the imaginations of the next Goodyear generation.



A GLOBAL PLAYER...

When Goodyear and SRI/Dunlop announced in February their intent to join forces, the die was cast for Goodyear to regain its leadership as the largest tire company

in the global competitive arena. And both partners win. Gaining a foothold in the formerly impenetrable Japanese market for Goodyear—capitalizing on the Dunlop brand in Europe, North America and Mexico—building a portfolio of brand strength for Goodyear's distribution network. Opening new doors to growth in its most mature markets with less reliance on growth in more unpredictable emerging markets and seizing opportunities to change its overall cost structure.

Staying ahead of the pack worldwide, and being where and when customers want the company to be with a product assortment for today and tomorrow.

From the upscale hypermarkets, Premio and Hi-Q marketing formats in Europe to Serviteca and Solo Llantas in Latin America to Asia's Sertaservis, Max Pro and Tyre Pro to Goodyear Auto Service Centers, JustTires and the strongest dealer network in the business throughout North America—more than 70,000 locations spanning the globe to serve customers.

A growing family, soon to be joined by SRI/Dunlop retailers.

With 80 plants in 33 countries. With products distributed virtually around the world. With marketing operations in 185 countries, and overhead, the world's largest blimp fleet, now in Europe, North and South America and soon, Asia... all to help build preference for the Goodyear brand. On the World Wide Web.

So wherever their wandering feet may take them, Goodyear is there. In the sky, on the race track and highways, in coal shafts and copper mines.

Ready to meet the demands of the next generation of customers with tires, engineered products and chemicals—the most technically savvy group to ever navigate the world—on-road or off, electronically or behind the wheel. Just like Goodyear.

“...with operations everywhere in the world where I might eventually go.”





▲ Sumitomo Rubber Industries President Naoto Saito (left) joined Goodyear Chairman Sam Gibara in New York to sign an agreement globally linking the companies for leadership into the next millennium.

▶ Goodyear's distinctive Eagle performance tire logo touts the availability of Goodyear products at a retail store in Hong Kong.

▶ Technicians at the materials test laboratory of the Sava tire plant in Kranj, Slovenia, study the physical properties of compounds. Sava provides a low-cost supply base to provide broad-market tires in Western Europe.

Concept vehicle: VW Beetle RSI





▲ The most technically advanced engineering design and analysis software enables engineers to streamline the design process from a trial-and-error approach to a simulation method for perfecting designs, potentially doubling their productivity. Training and use of this tool provides a differentiating competitive advantage in manufacturing process technology.

▶ A brightly redesigned tire wall and knowledgeable professional sales staff greet customers in Goodyear's North American retail stores.

Concept vehicle: Oldsmobile Recon



A SUCCESS CATALYST...

Goodyear is thriving...growing...and offering its associates unprecedented opportunities to succeed and contribute behaviors, attitudes and values.

By understanding, respecting and learning from the cultural differences, social attitudes, customs and values for a hundred years. By contributing to an environment in which all associates work together toward common goals and objectives.

Behind the company's growth and performance are its people—recruited from every continent and afforded every opportunity to grow. Supported through family-friendly policies and expanded telecommuting and work-at-home processes. Liberal tuition reimbursement and global training programs. Emphasis on organizational and cultural change, process improvement, work redesign and diversity. Training, succession and strategic direction.

“...offering employment opportunities that enable me to reach my full potential.”



Goodyear people. Leading, empowering, assisting and motivating from diverse backgrounds to maximize individual and collective productivity.

Sharing in the company's success...learning from its failures...realizing their full potential.

Opportunities for technical and personal development abound—joint development and exchange opportunities with cross functional and international assignments and projects with external partners, enabling full utilization of existing facilities and personnel. Five years and counting with the U.S. Department of Energy's Sandia National Laboratories on computational analysis tools in tire mechanics, materials and manufacturing, fine-tuning the manufacturing process...computer hardware and software, including mainframes and microprocessors ...finite element modeling, engineering trend analysis, holography, race-car leveling.

All building on the core values that have served the company so well in its first century, and providing a catalyst to thrive in the next millennium.

To melding the technological opportunities with the human side.

All geared to stimulating inquisitiveness and embracing new ideas and ways of doing things to keep Goodyear adapting to the needs, desires and expectations of the consumers, today and for generations to come.

A GROWTH ADVOCATE...

Goodyear is on target...despite economic difficulties in Asia and Latin America, currency translation or pricing pressures...with a strong balance sheet...a high degree of flexibility...

a viable strategic plan.

With a proven strategic plan built on sound business practices.

Taking immediate measures for future improvements. Addressing short-term challenges and meeting shareholders' expectations. Developing, implementing, measuring and communicating strategic programs for long-term sales and earnings growth.

A global entity well positioned to face regional uncertainties with a proven production rationalization strategy enabling the company to take advantage of

global resources to compete throughout the world.

Fluid and flexible.

Moving high-quality products from low-cost plants to satisfy demand in other regions to keep its plants humming...Identifying and eliminating uncompetitive facilities and excess capacity...Capitalizing on trade agreements...Concentrating on core businesses.

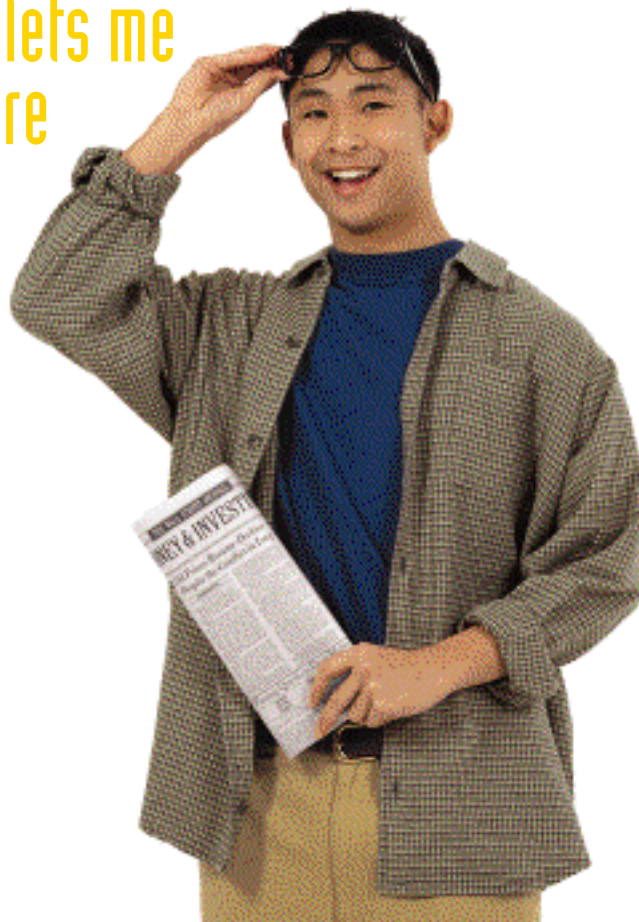
Globally savvy and uniformly aggressive.

Working alone or in partnership — doing what makes sense.

With stock traded on four major exchanges worldwide.

With the potential to increase shareholder value to meet the expectations of our investors, as well as the next generation of shareholders.

“...providing shareholder value that lets me retire before I'm 50.”





▲ Within the controlled environment of the McKinley Climatic Laboratory at Eglin Air Force Base in Florida, Goodyear engineers re-create winter driving conditions to test its winter and all-season tires, as well as competitors' offerings.

▶ One customer service Engineered Products sales representatives perform is conducting conveyor belt field tests to calculate belt cover hardness.

▶ Exhaust stacks are protected by paint, formulated with Goodyear Chemical's Pliotec LS resin (shown here in beakers) for improved water- and chemical-resistance.

Concept vehicle: Chrysler PT Cruiser





▲ Five trucks navigate a steep descent near Larochette in Luxembourg on tires introduced this spring at the largest simultaneous new product roll-out ever held in Europe, when nine full truck tire lines were launched.

▶ Clean, energy-efficient cogeneration facilities, such as this one in Luxembourg, are trimming Goodyear's energy costs through the simultaneous production of electricity or mechanical power and usable energy, such as steam or hot air.

Concept vehicle: Pininfarina Eta Beta



A SOLID CITIZEN...

Goodyear is dedicated to being a socially responsible corporate citizen committed to environmental and civic improvements. Protecting and preserving the ecological balance and adhering to the highest standards of ethics and integrity.

Looking for environmentally sound new ways to operate...like developing a means of using modified corn and potato starch as a cost-effective renewable alternative to carbon black and/or silica in rubber compounds, and in the process, lowered rolling resistance, improving wet traction and maintaining treadwear.

Or using energy-efficient, clean cogeneration facilities to help supply energy at manufacturing facilities in Izmit and Adapazari, Turkey; Wolverhampton, England; Colmar-Berg, Luxembourg; and Freeport, Illinois.

Making significant progress on air and water purification efforts, waste reduction at all facilities worldwide, tire recycling advances and overall energy-use reduction.

Finding ways to make its products last longer — improving the retreadability of truck tire casings, keeping them on the road and out of the waste stream; developing products that last longer and perform better; reducing rolling resistance to improve the fuel economy of the transport vehicles customers use.

Taking the lead on scrap-tire disposal...championing tire-derived fuels and advocating immediate recycling/recovery through viable, non-subsidized markets.

At Goodyear Auto Service Centers, recycling the motor oil, coolant and freon — keeping them in use and out of the environment.

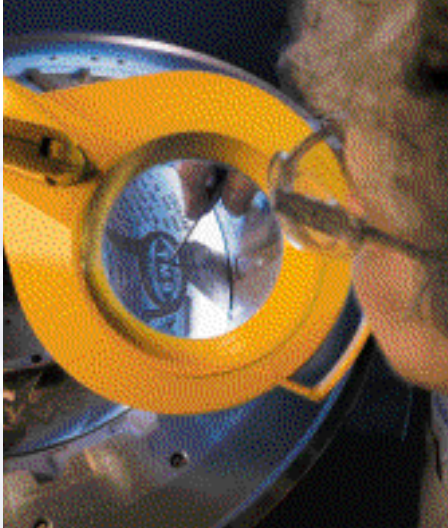
Even recycling the fluorescent lights, copier toner cartridges and paper used at its office and manufacturing sites.

Socially, sponsoring Conservation Awards Programs for more than half a century, honoring truck-driving Highway Heroes for their altruism and professionalism, supporting local United Ways with nearly \$5 million annually, building Habitat for Humanity houses and the company and its associates helping the American Red Cross cope with an unusual year of natural disasters globally.

Because Goodyear can exist, thrive and grow, and it wants the environment to do the same.

“...in social responsibility and taking care of the environment.”





THE FUTURE TODAY...

Goodyear—positioned for today, tomorrow and the next millennium.

An evolving enterprise poised to lead the industry—setting new standards, growing, thriving and fighting to be the most competitive in the industry.

Preparing to recapture global leadership. Committed to being the best.

With attainable five-year objectives: Gaining market share and growing sales...Becoming a \$20 billion company in revenues...Reducing SAG expense...Increasing return on sales...Maintaining the ratio of debt to debt plus equity...Maintaining capital expenditures...Adhering to a dividend payout policy.

Committed to quality as the engine that powers its drive to beat the competition.

But most of all, staying One Revolution Ahead.

▲ **Scientists set up a rocket-propelled tire test at the U.S. Department of Energy's Sandia National Laboratories where high-speed performance data is recorded through a glass plate on the sled track.**

▲ **An Extended Mobility Technology (EMT) tire mold is thoroughly inspected before being released to Lawton, Oklahoma, for production.**

◀ **New Goodyear Ventura passenger tires provide a quiet, comfortable ride even on the most challenging pavement, such as the cobblestone road to the castle at Bourglinster.**

Concept vehicle: Jeep Dakar

SHAREHOLDER INFORMATION

Transfer Agent and Registrar

First Chicago Trust Company of New York,
a division of EquiServe
P.O. Box 2500
Jersey City, NJ 07303-2500
(800) 317-4445

Inquiries concerning the issuance or transfer of stock certificates, the status of dividend checks or share account information should be directed to the transfer agent at the above address or toll free number. Provide Social Security number, account number and Goodyear's ID number, 5721.

Principal Office

The Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316-0001
(330) 796-2121
www.goodyear.com

Special Accommodation

Call (201) 222-4955 to reach First Chicago Trust Company of New York if you have a Telecommunications Device for the Deaf (TDD) screen.

An Annual Report audio cassette tape for visually impaired shareholders is available by contacting Goodyear Investor Relations, (330) 796-8576.

Stock Exchange Information

The principal market for The Goodyear Tire & Rubber Company common stock is the New York Stock Exchange (symbol GT). The stock is also listed on the Chicago Stock Exchange and The Pacific Exchange.

Goodyear Common Stock

On February 16, 1999 there were 28,377 shareholders of record of Goodyear common stock. The closing price of Goodyear common stock on the NYSE composite transactions tape on February 16, 1999 was \$47.50.

Annual Report on Form 10-K

The Company's Annual Report to the Securities and Exchange Commission for 1998 on Form 10-K will be available in March 1999. A copy, including all financial statements, schedules and exhibits, may be obtained without charge by contacting:

Investor Relations
The Goodyear Tire & Rubber Company
1144 East Market Street
Akron, Ohio 44316-0001
or calling our Financial Report Distribution Center at:
(515) 263-6408

The DirectSERVICE™ Investment Program

First Chicago Trust Company of New York sponsors and administers a DirectSERVICE Investment Program for current shareholders and new investors in The Goodyear Tire & Rubber Company Common Stock. The program offers automatic dividend reinvestment and a variety of other services. A shareholder information brochure explaining the program may be obtained by contacting:

The DirectSERVICE Investment Program—
For Goodyear Shareholders
c/o The First Chicago Trust Company of New York,
a division of EquiServe
P. O. Box 2598
Jersey City, NJ 07303-2598
(800) 317-4445

Environmental Report

A report pertaining to Goodyear's environmental policies and activities may be obtained by contacting Corporate Environmental Engineering, (330) 796-7377.



AERIAL AMBASSADORS



After doubling the fleet and completing the largest expansion in the history of Goodyear's airship program, the company's distinctive blue, gold and silver blimps are gracing the skies of North America, Latin America and Europe.

Above, Chairman Sam Gibara joins his wife, Salma, as she christens the new *Stars & Stripes* ship. Middle, the *Spirit of Europe I & II* pass over Tower Bridge in London and at left, the *Spirit of the Americas* floats above Corcovado Mountain in Brazil.

The value resulting from blimp coverage of television sports and public events totaled \$23 million in 1998; nearly 15,000 customers were treated to rides; and the world's most recognized corporate icons appeared on the cover of *Smithsonian*, the prestigious magazine of the Smithsonian Institution.



Goodyear, together with its U.S. and international subsidiaries, manufactures and markets tires for most applications. Goodyear also manufactures and sells several lines of belts, hose and other rubber products for the transportation industry and various industrial and consumer markets and rubber-related chemicals for various applications and provides auto repair and other services at retail and commercial outlets. Goodyear operates 80 plants in the United States and 32 other countries.

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