

Source Document

OVER_FUNDED_PENSIONS (\$2,474.00)

(In millions)	Pension Plans					
	U.S.		Non-U.S.		Other Benefits	
	2006	2005	2006	2005	2006	2005
Change in benefit obligation:						
Beginning balance	\$ (5,407)	\$ (5,191)	\$ (2,646)	\$ (2,529)	\$ (2,629)	\$ (3,218)
Newly adopted plans	--	--	(8)	(1)	--	--
Service cost -- benefits earned	(103)	(56)	(51)	(49)	(25)	(23)
Interest cost	(295)	(294)	(137)	(128)	(135)	(149)
Plan amendments	(111)	--	(5)	--	(1)	--
Actuarial (loss) gain	120	(174)	(77)	(273)	110	532
Participant contributions	(10)	(11)	(7)	(8)	(26)	(19)
Curtailments/settlements	(10)	--	66	1	2	(7)
Termination benefits	(10)	(15)	(28)	--	(30)	--
Divestitures	--	--	--	9	--	--
Foreign currency translation	--	--	(258)	203	1	(5)
Benefit payments	409	334	152	129	255	260
Ending balance	\$ (5,417)	\$ (5,407)	\$ (2,999)	\$ (2,646)	\$ (2,478)	\$ (2,629)
Change in plan assets:						
Beginning balance	\$ 3,404	\$ 3,046	\$ 1,638	\$ 1,552	\$ --	\$ --
Newly adopted plans	--	--	7	--	--	--
Actual return on plan assets	478	261	142	206	--	--
Company contributions to plan assets	556	407	124	81	4	--
Cash funding of direct participant payments	11	13	23	25	229	241
Participant contributions	10	11	7	8	26	19
Curtailments/settlements	--	--	(14)	--	--	--
Foreign currency translation	--	--	147	(105)	--	--
Benefit payments	(409)	(334)	(152)	(129)	(255)	(260)
Ending balance	\$ 4,050	\$ 3,404	\$ 1,922	\$ 1,638	\$ 4	\$ --
Funded status at end of year	\$ (1,367)	(2,003)	\$ (1,077)	(1,008)	\$ (2,474)	(2,629)
Unrecognized prior service cost		325		20		359
Unrecognized net loss		1,646		1,025		355
Unrecognized net obligation at transition		--		2		--
Net amount recognized		\$ (32)		\$ 39		\$ (1,915)

Source Document

OVER_FUNDED_PENSIONS (\$2,003.00)

** Table_of_Contents **

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

Note 12. Pension, Other Postretirement Benefit and Savings Plans (continued)

The change in benefit obligation and plan assets for 2005 and 2004 and the amounts recognized in our Consolidated Balance Sheets at December 31, 2005 and 2004 are as follows:

	Pension Plans					
	U.S.		Non-U.S.		Other Benefits	
	2005	2004	2005	2004	2005	2004
(In millions)						
Change in benefit obligation:						
Beginning balance	\$ (5,191)	\$ (4,887)	\$ (2,529)	\$ (1,996)	\$ (3,218)	\$ (3,079)
Newly adopted plans	--	--	(1)	(87)	--	--
Service cost -- benefits earned	(56)	(41)	(49)	(45)	(23)	(25)
Interest cost	(294)	(300)	(128)	(121)	(149)	(188)
Plan amendments	--	1	--	--	--	4
Actuarial (loss) gain	(174)	(301)	(273)	(231)	532	(165)
Employee contributions	(11)	(10)	(8)	(9)	(19)	(9)
Curtailments/settlements	--	(2)	1	--	(7)	--
Special termination benefits	(15)	(4)	--	--	--	--
Divestitures	--	--	9	--	--	--
Foreign currency translation	--	--	203	(172)	(5)	(14)
Benefit payments	334	353	129	132	260	258
Ending balance	\$ (5,407)	\$ (5,191)	\$ (2,646)	\$ (2,529)	\$ (2,629)	\$ (3,218)
Change in plan assets:						
Beginning balance	\$ 3,046	\$ 2,886	\$ 1,552	\$ 1,243	\$ --	\$ --
Newly adopted plans	--	--	--	84	--	--
Actual return on plan assets	261	330	206	149	--	--
Company contributions to pension funds	407	157	81	67	--	--
Cash funding of direct participant payments	13	16	25	25	--	--
Employee contributions	11	10	8	9	--	--
Foreign currency translation	--	--	(105)	107	--	--
Benefit payments	(334)	(353)	(129)	(132)	--	--
Ending balance	\$ 3,404	\$ 3,046	\$ 1,638	\$ 1,552	\$ --	\$ --
Funded status	(2,003)	(2,145)	(1,008)	(977)	(2,629)	(3,218)
Unrecognized prior service cost	325	401	20	17	359	420
Unrecognized net loss	1,646	1,561	1,025	987	355	895
Unrecognized net obligation at transition	--	--	2	3	--	--
Net amount recognized	\$ (32)	\$ (183)	\$ 39	\$ 30	\$ (1,915)	\$ (1,903)

Source Document

OVER_FUNDED_PENSIONS (\$3,218.30)

** Table_of_Contents **

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS -- (Continued)

Note 13. Pension, Other Postretirement Benefit and Savings Plans (continued)

The change in benefit obligation and plan assets for 2004 and 2003 and the amounts recognized in our Consolidated Balance Sheet at December 31, 2004 and 2003 are as follows:

	Pension Plans		Other Benefits	
	2004	2003	2004	2003
(In millions)				
Change in benefit obligation:				
Beginning balance	\$ (6,883.5)	\$ (6,070.2)	\$ (3,078.6)	\$ (2,723.1)
Newly adopted plans	(87.0)	--	(0.5)	--
Service cost -- benefits earned	(85.8)	(122.6)	(24.7)	(24.1)
Interest cost	(421.0)	(399.8)	(188.1)	(174.0)
Plan amendments	1.1	(112.4)	4.0	(275.8)
Actuarial loss	(532.2)	(348.9)	(165.4)	(88.9)
Employee contributions	(19.2)	(18.8)	(8.8)	(6.6)
Curtailments/settlements	(1.6)	16.3	0.5	(15.0)
Special termination benefits	(4.3)	(42.9)	(0.3)	(21.3)
Foreign currency translation	(171.7)	(257.6)	(14.0)	(22.9)
Benefit payments	484.9	473.4	257.6	273.1
Ending balance	(7,720.3)	(6,883.5)	(3,218.3)	(3,078.6)
Change in plan assets:				
Beginning balance	\$ 4,129.1	\$ 3,602.4	\$ --	\$ --
Newly adopted plans	84.4	--	--	--
Actual return on plan assets	478.7	707.4	--	--
Company contributions	264.6	115.7	--	--
Employee contributions	19.2	18.8	--	--
Foreign currency translation	107.2	158.2	--	--
Benefit payments	(484.9)	(473.4)	--	--
Ending balance	\$ 4,598.3	\$ 4,129.1	\$ --	\$ --
Funded status	(3,122.0)	(2,754.4)	(3,218.3)	(3,078.6)
Unrecognized prior service cost	418.1	503.4	420.1	480.9
Unrecognized net loss	2,548.5	2,194.1	895.4	763.1
Unrecognized net obligation at transition	2.8	3.9	--	--
Net amount recognized	\$ (152.6)	\$ (53.0)	\$ (1,902.8)	\$ (1,834.6)

125

** Table_of_Contents **

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS -- (Continued)

Note 13. Pension, Other Postretirement Benefit and Savings Plans (continued)

Amounts recognized in the Consolidated Balance Sheet consist of:

Source Document

OVER_FUNDED_PENSIONS (\$3,078.60)

As a result of rationalization actions in 2003, Goodyear recognized a curtailment loss of \$23.6 million and a loss from special termination benefits of \$20.0 million. Goodyear recognized a curtailment gain of \$0.2 million and a special termination loss of \$6.5 million as a result of rationalization actions in 2001. Refer to Note 3.

The change in benefit obligation and plan assets for 2003 and 2002 and the amounts recognized in Goodyear's Consolidated Balance Sheet at December 31, 2003 and 2002 are as follows:

	Pension Plans		Other Benefits	
	Restated		Restated	
	2003	2002	2003	2002
(In millions)				
Change in benefit obligation:				
Beginning balance	\$ (6,059.3)	\$ (5,443.0)	\$ (2,723.1)	\$ (2,565.0)
Service cost -				
- benefits earned	(122.2)	(116.3)	(24.1)	(19.5)
Interest cost	(400.0)	(385.1)	(174.0)	(186.9)
Plan amendments	(112.4)	(5.4)	(275.8)	(127.0)
Actuarial loss	(360.0)	(323.8)	(88.9)	(111.3)
Employee contributions	(18.8)	(19.7)	(6.6)	(4.8)
Curtailments/ settlements	16.3	1.6	(15.0)	--
Special termination benefits	(42.9)	--	(21.3)	--
Foreign currency translation	(257.6)	(126.6)	(22.9)	1.8
Benefit payments	473.4	359.0	273.1	289.6
Ending balance	(6,883.5)	(6,059.3)	(3,078.6)	(2,723.1)
Change in plan assets:				
Beginning balance	\$ 3,602.4	\$ 4,176.2	\$ --	\$ --
Actual return on plan assets	707.4	(535.7)	--	--
Company contributions	115.7	226.9	--	--
Employee contributions	18.8	19.7	--	--
Foreign currency translation	158.2	74.3	--	--
Benefit payments	(473.4)	(359.0)	--	--
Ending balance	\$ 4,129.1	\$ 3,602.4	\$ --	\$ --
Funded status	(2,754.4)	(2,456.9)	(3,078.6)	(2,723.1)
Unrecognized prior service cost	503.4	492.3	480.9	229.3
Unrecognized net loss	2,195.4	2,298.9	763.1	704.3
Unrecognized net obligation at transition	3.9	4.4	--	--
Net amount recognized	\$ (51.7)	\$ 338.7	\$ (1,834.6)	\$ (1,789.5)

Source Document

OVER_FUNDED_PENSIONS (\$2,227.80)

83

** Table_of_Contents **

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

Note 14. Pensions (continued)

The following table presents changes in plan assets:

	2002		2001	
(In millions)	=====		=====	
Beginning balance	\$	4,176.2	\$	4,749.6
Actual return on plan assets		(535.7)		(230.6)
Company contributions		226.9		186.5
Associate contributions		19.7		20.2
Settlements				(48.3)
Foreign currency translation		74.3		(52.8)
Benefit payments		(359.0)		(448.4)
	=====		=====	
Ending balance	\$	3,602.4	\$	4,176.2
	=====		=====	

For plans that are not fully funded:

	2002		2001	
(In millions)	=====		=====	
Projected benefit obligation	\$	5,795.6	\$	4,367.1
Accumulated benefit obligation		5,523.0		4,177.2
Plan assets		3,566.4		3,378.2

Certain international subsidiaries maintain unfunded plans consistent with local practices and requirements. At December 31, 2002, these plans accounted for \$177.0 million of Goodyear's accumulated benefit obligation, \$187.2 million of its projected benefit obligation and \$16.9 million of its minimum pension liability adjustment (\$153.1 million, \$162.4 million and \$13.4 million, respectively, at December 31, 2001).

Note 15. Income Taxes

The components of Income (Loss) before Income Taxes, adjusted for Minority Interest in Net Income (Loss) of Subsidiaries, follow:

	2002		2001		2000	
(In millions)	=====		=====		=====	
U.S.	\$	(425.0)	\$	(341.2)	\$	(142.3)
Foreign		407.1		68.2		201.1
	=====		=====		=====	
		(17.9)		(273.0)		58.8
Minority Interest in Net Income (Loss) of Subsidiaries		55.8		.2		33.5
	=====		=====		=====	
	\$	37.9	\$	(272.8)	\$	92.3
	=====		=====		=====	

84

Source Document

OVER_FUNDED_PENSIONS (\$1,038.80)

Prepaid benefit cost		
current	\$ 159.4	\$ 92.0
long term	474.2	549.5
Accrued benefit cost		
current	(69.1)	(72.7)
long term	(1,146.0)	(521.5)
Intangible asset	504.9	259.4
Deferred income taxes	136.2	11.8
Minority shareholders equity	20.7	
Accumulated other comprehensive income	257.3	21.9
=====		
Net benefit cost recognized on the Consolidated Balance Sheet	\$ 337.6	\$ 340.4
=====		

The following table presents changes in plan assets:

(In millions)	2001	2000
=====		
Beginning balance	\$ 4,749.6	\$ 5,178.9
Actual return on plan assets	(230.6)	(117.2)
Company contributions	186.5	81.0
Associate contributions	20.2	23.6
Settlements	(48.3)	(7.8)
Foreign currency translation	(52.8)	(76.6)
Benefit payments	(448.4)	(332.3)
=====		
Ending balance	\$ 4,176.2	\$ 4,749.6
=====		

For plans that are not fully funded:

(In millions)	2001	2000
=====		
Accumulated benefit obligation	\$ 3,959.0	\$ 2,487.1
Plan assets	3,183.9	2,239.9
=====		

72

** Table_of_Contents **

(CONTINUED)

NOTES TO FINANCIAL STATEMENTS

Certain international subsidiaries maintain unfunded plans consistent with local practices and requirements. At December 31, 2001, these plans accounted for \$153.1 million of Goodyear's accumulated benefit obligation, \$162.4 million of its projected benefit obligation and \$13.4 million of its minimum pension liability adjustment (\$167.7 million, \$177.4 million and \$16.7 million, respectively, at December 31, 2000).

Note 16

Income Taxes

The components of Income before Income Taxes, adjusted for Minority Interest in Net Income of Subsidiaries, follow:

(In millions)	2001	2000	1999
=====			

Source Document

OVER_FUNDED_PENSIONS (\$301.80)

Rate of increase in compensation levels	4.0	3.8
Expected long term rate of return on plan assets	9.5	8.7

The following table presents amounts recognized on the Consolidated Balance Sheet:

(In millions)	2000	1999
Prepaid benefit cost		
-- current	\$ 92.0	\$ 18.0
-- long term	549.5	598.6
Accrued benefit cost		
-- current	(72.7)	(63.1)
-- long term	(521.5)	(242.6)
Intangible asset	259.4	8.9
Deferred income taxes	11.8	8.3
Accumulated other comprehensive income	21.9	15.2
Net benefit cost recognized on the Consolidated Balance Sheet	\$ 340.4	\$ 343.3

The following table presents changes in plan assets:

(In millions)	2000	1999
Beginning balance	\$5,178.9	\$3,931.2
Actual return on plan assets	(117.2)	831.4
Company contributions	81.0	120.0
Associate contributions	23.6	23.4
Acquisitions	--	601.1
Settlements	(7.8)	(12.5)
Foreign currency translation	(76.6)	(33.7)
Benefit payments	(332.3)	(282.0)
Ending balance	\$4,749.6	\$5,178.9

For plans that are not fully funded:

(In millions)	2000	1999
Accumulated benefit obligation	\$2,487.1	\$364.3
Plan assets	2,239.9	65.3

Certain international subsidiaries maintain unfunded plans consistent with local practices and requirements. At December 31, 2000, these plans accounted for \$167.7 million of the Company's accumulated benefit obligation, \$177.4 million of its projected benefit obligation and \$16.7 million of its minimum pension liability adjustment (\$170.6 million, \$173.3 million and \$13.4 million, respectively, at December 31, 1999).

74

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 16

INCOME TAXES

The components of Income from Continuing Operations before Income Taxes, adjusted for Minority Interest in Net Income of Subsidiaries, follow:

Source Document

OVER_FUNDED_PENSIONS \$300.80

(In millions)	1999	1998
Prepaid benefit cost - current	\$ 83.3	\$ 85.2
- long term	533.3	462.7
Accrued benefit cost - current	(63.1)	(128.9)
- long term	(242.6)	(136.1)
Intangible asset	8.9	11.2
Deferred income taxes	8.3	15.5
Accumulated other comprehensive income	15.2	26.2
NET BENEFIT COST RECOGNIZED ON THE CONSOLIDATED BALANCE SHEET	\$ 343.3	\$ 335.8

The following table presents changes in plan assets:

(In millions)	1999	1998
Beginning balance	\$3,931.2	\$3,567.3
Actual return on plan assets	831.4	485.3
Company contributions	120.0	142.9
Associate contributions	23.4	21.8
Acquisitions	601.1	-
Settlements	(12.5)	(7.5)
Foreign currency translation	(33.7)	(19.9)
Benefit payments	(282.0)	(258.7)
ENDING BALANCE	\$5,178.9	\$3,931.2

For plans that are not fully funded:

(In millions)	1999	1998
Accumulated benefit obligation	\$ 364.3	\$(290.2)
Plan assets	65.3	67.9

Certain international subsidiaries maintain unfunded plans consistent with local practices and requirements. At December 31, 1999, these plans accounted for \$170.6 million of the Company's accumulated benefit obligation, \$173.3 million of its projected benefit obligation and \$13.4 million of its minimum pension liability adjustment (\$73.2 million, \$81.4 million and \$17.1 million, respectively, at December 31, 1998).

NOTE 15

SAVINGS PLANS

Substantially all domestic associates are eligible to participate in one of the Company's six savings plans. Under these plans associates elect to contribute a percentage of their pay. In 1999, most plans provided for the Company's matching of these contributions (up to a maximum of 6% of the associate's annual pay or, if less, \$10,000) at the rate of 50%. Company contributions were \$43.0 million, \$42.8 million and \$40.6 million for 1999, 1998 and 1997, respectively. A defined contribution pension plan for certain foreign associates was established July 1, 1999. Company contributions were \$2.4 million for 1999.

75

78

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 16

Source Document

OVER_FUNDED_PENSIONS (\$223.60)

15.1
Accumulated other comprehensive income 26.2
28.1

Net benefit cost recognized on the Consolidated Balance Sheet \$ 282.9

\$ 286.1

The following table presents changes in plan assets:

(In millions) 1998

1997

Beginning balance \$ 3,567.3

\$ 3,082.2

Actual return on plan assets 485.3

551.7

Company contributions 142.9

128.8

Associate contributions 21.8

17.0

Acquisitions -

- 38.1

Settlements (7.5)

(2.0)

Foreign currency translation (19.9)

(34.0)

Benefit payments (258.7)

(214.5)

Ending balance \$ 3,931.2

\$ 3,567.3

For plans that are not fully funded:

(In millions) 1998

1997

Accumulated benefit obligation \$ (290.2)

\$ (258.9)

Plan assets 67.9

60.8

Certain international subsidiaries maintain unfunded plans consistent with local practices and requirements and at December 31, 1998, these plans accounted for \$73.2 million of the Company's accumulated benefit obligation, \$81.4 million of its projected benefit obligation and \$17.1 million of its minimum pension liability adjustment (\$71.6 million, \$80.9 million and \$23.0 million, respectively, at December 31, 1997).

62

65

NOTES TO FINANCIAL STATEMENTS