

Unleashing the Tubeless Revolution

Better Control

Added Savings

Report  Junction.com

Enhanced Comfort

Better Mileage

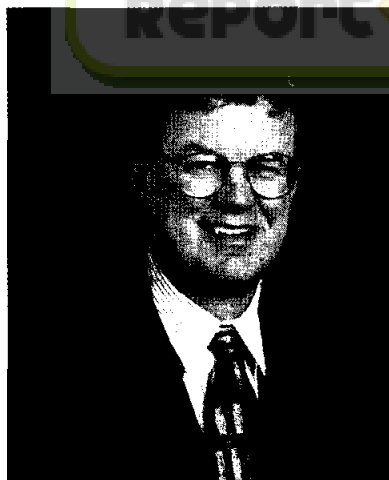
GOODYEAR
One Revolution Ahead

"Goodyear's shift to flexible manufacturing will enhance cost reduction. It will focus on faster changeovers, quicker processing time and the ability to do short runs effectively, plus more outsourcing."



Samir G. Gibara

Chairman & Chief Executive Officer
The Goodyear Tire & Rubber Company



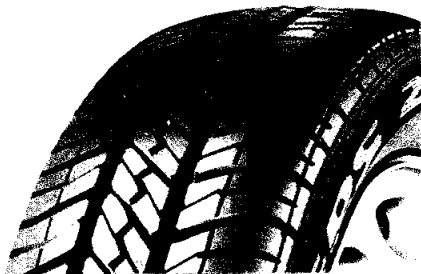
"Goodyear Tire & Rubber Co. will base its 2002 growth on revenue-per-tire increases and ongoing cost reductions. There is significant room for improvement in brand, product, dealer and consumer mix."

Robert J. Keegan

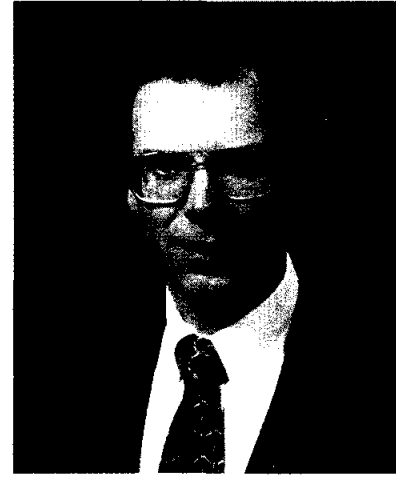
President & Chief Operating Officer
The Goodyear Tire & Rubber Company

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"Goodyear has more than doubled its investments in India in the last few years. This new investment reinforces our belief in the potential of the India market and positions the Goodyear brand to continue to increase its share in the fastest growing high technology market segments. Goodyear's growth strategy is predicated on our commitment to fully satisfy all tire consumers by providing the best products and services in the Indian market."



Hugh D Pace

President - Asia Region
The Goodyear Tire & Rubber Company



"Innovation in producing benchmark products and providing the best after sales services will be the key factors in attaining sustainable growth."

Goodyear India will provide strong business support to all its customers so that our marketing and product leadership translates to brand preference growth from satisfied consumers."

Luis C Ceneviz

Chairman & Managing Director
Goodyear India

Unleashing the Tubeless Revolution

The Economic Scenario

The year 2001 has been an eventful period for India and the world in several positive and even tragic aspects. On the economic front the slowdown continued on its course with even high growth economies like China, Korea and South East Asian countries feeling the pinch. The post World Trade Centre attack was a severe blow to any hopes for a reversal in the trend. As an intrinsic part of the global economic market, exception cannot be applied to India and the possibility of recording a 5.4% growth rate instead of the targeted 6.5% is quite strong. The only unfortunate result is that the levels of higher growth rate achieved in the past few years have not been accomplished this year. Moreover the fundamental strength of resilience in the Indian economy has continued to hold its forte despite the crippling impacts from the Gujarat Earthquake, economic sanctions, mounting political tensions in the subcontinent region, and reduced inflow of industrial investments. As a company, Goodyear is well versed in facing and overcoming challenges by alertly responding to market stimulus in appropriate manner. The determination to keep its vision and focus firmly on key parameters including result-oriented cost control measures has been instrumental in enabling the company to ride the slowdown.

2001 - A Year of Paradigm Shift and Major Breakthroughs

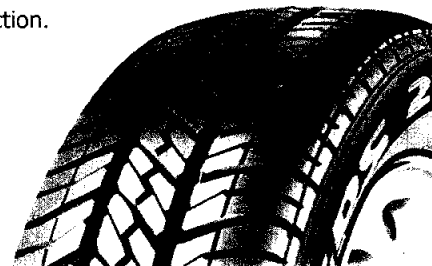
The year 2001 has been an year of exemplary changes leading to significant breakthroughs in Goodyear's own internal systems and procedures. The synergistic focus, vision, and commitment resulted in improved units sales and a revitalized perception of the company's truck and passenger radials. The impact on diverse areas was catching. The company initiated the positive process of changing to large volume dealers primarily with a view to enhance and improve its market share. The volume of exports also increased during the period, more than doubling over the previous year. Meaningful changes in the marketing infrastructure of the company enabled it to redefine physical distribution. While most of the branches were converted to C & F agents, the closing down of the redundant C & Fs contributed to improving transportation efficiency.

The dedicated effort at SKU rationalization, a modern standardization on key elements, also led to a phenomenal 42 % reduction in 2001.

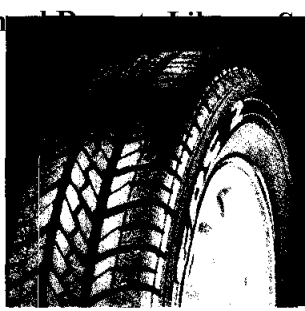


The Trinum Edge spreads its wings

The introduction in the previous year of Goodyear's revolutionary Trinum Technology had a profound effect in the market. It continued its acceleration in setting new standards for tyre performance throughout the country during the year under review. The foundation for the technology has been over a century of tyre knowledge, a global experience of all major regional and local markets, in depth knowledge of geographical terrains and road conditions in all Goodyear markets and outstanding creativity from the three R & D centres in Japan, Europe and the U.S. The combined strength of all these advantages has led to the creation of the perfect radial tyre with the optimum performance standard in every application. Goodyear's Trinum Technology is an eloquent manifestation of the company's obsession with and commitment to excellence in all aspects of its technology - technology that revolves around the core concept of providing and ensuring customer satisfaction.



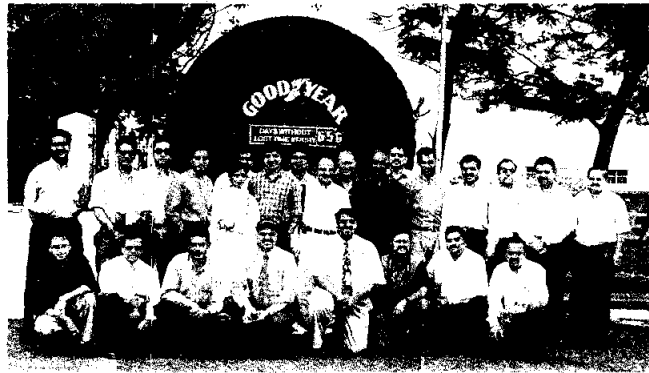
The end of road for the tubes - the tubeless radials



New Launches

The Goodyear Tubeless Revolution

One of the single greatest innovations in Goodyear's long list of pioneering firsts is the development of the path breaking tubeless tyre. The end of road for the tubes as also a clear signal to the industry to keep pace with



Media personnel from all over the country were special invitees at the Tubeless Radial Launch at Aurangabad

Dealers examining with great interest the Tubeless Radials from Goodyear



technology upgradation. Goodyear's global leadership was adequately demonstrated with this technologically advanced product. Backed by the superior strengths and inputs from the Trinum technology, the Goodyear tubeless tyres were launched in a systematic and phased manner all over the country. Simultaneously, the company has also conducted a nationwide programme of dealers training on key aspects of the new tyres including their repairs. This was supported by a series of new television commercial and advertising in select magazines and newspapers. The four-fold advantage revolving around better control, increased savings, enhanced comfort and improved mileage were also explained in detail at the various regional and local launch programmes.

A Daring Venture - Kargil to Kanyakumari (K-2-K) on Goodyear Tubeless Tyres

October 4-17, 2001 was a very special period for Goodyear and the whole Country, for during this period India witnessed perhaps the largest ever expedition on wheels all the way from the tallest Northern outpost Kargil in the rugged Kashmir Himalayas to Kanyakumari at the Southern tip of the country awash in the blue waters of

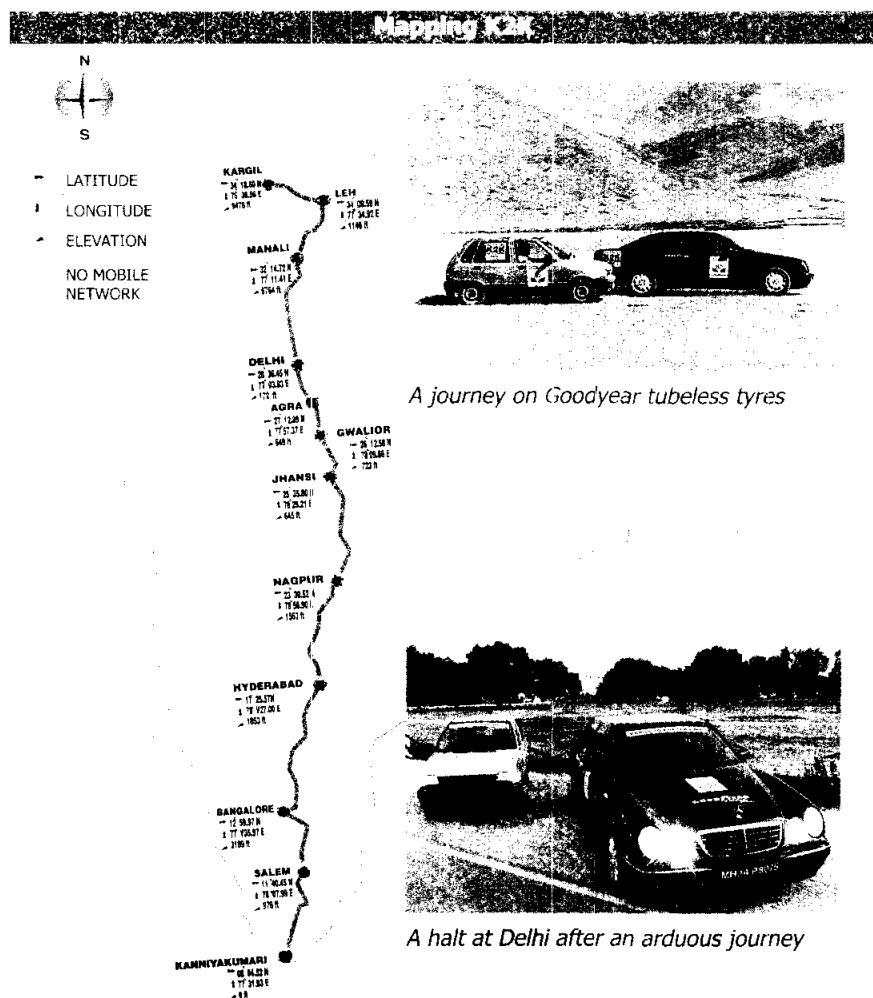
the Indian Ocean.

Under the leadership of Hormazd Sorabjee, well-known in the automobile circuit in India, the expedition, spread over 4000 kms, passed through Leh, Khardung La, Sarchu, Manali, Delhi, Gwalior, Bhopal, Nagpur, Hyderabad and Bangalore in 13 days from 4th October to 17th October.

Why did Hormazd, editor of Autocar India, undertake the mission? 'I want



An expedition on Goodyear tubeless tyres from Kargil to Kanyakumari



overhaul to improve key features and raise performance standards. The resulting reduction in tread-wear was primarily the outcome of the improved polymers that were incorporated. This also enabled the tyres to last longer and run cooler.

In keeping with its programme of new product launches, the company also introduced a number of tyres to meet critical requirements in several applications. Among these were the passenger radial Wrangler DT Sport, front farm tyres 6.00-16 FT 195 SL, rear farm tyres 14.9-28 ASSG, and 18.4-30 DT195 covering major customer segments in the country.

Distribution Development - a landmark in Company's marketing strategy

The company's remarkable Distribution Rationalization Project was undertaken with the objective of designing the best distribution strategy directed at achieving a range of high value and meaningful outcomes. The positive impact led to a reduction in overall logistics cost, creation of a physical network in line with the new channel design, a meaningful definition of optimal distribution network and clarity in channel partner profiles and functions, an inventory policy targeted at minimizing costs, and efficient

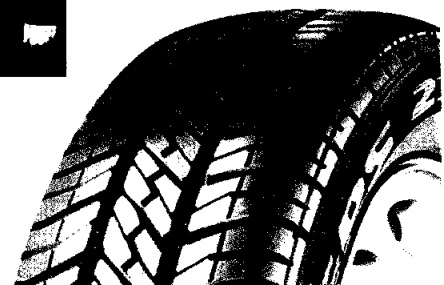
to conduct an extensive test of road network in India and test the performance of the tubeless tyres', he said when asked about it. Equally important was the aim to document the entire expedition and write an account to provide a travel guide about roads in India. Those who accompanied Hormazd were his colleagues Rashad Mehta and Kartik Ganesh. A Mercedes Benz E-class and a Maruti 800 took part in the expedition. What marked this expedition out as an event that should make Goodyear and its associates proud was that both the cars used Goodyear Tubeless Radial Tyres. The latter aspect made the expedition truly different from any other in this genre.

Products for new applications

The company monitored the qualitative performance of its three new tyres, Power 2000, Power Torq+ and Power Max+ . These truck and light truck tyres were given a virtual technology



CAPEXIL Award for the year 2000-2001 - a true recognition of Goodyear's significant contribution towards Exports



operations at the distribution centres, in the planning system and in IT architecture. The focus on establishment of Large Volume Dealers network primarily with a view to enhance and improve its market share has resulted in majority of the sales being contributed by these dealers now in all key segments - Passenger tyres, Truck and Farm tyres.

Distributors for Grader tyres have brought about additional growth. This has helped in reducing vagaries in business on account of the dependence on government accounts.

Goodyear's product range serves virtually every market need and application. The objective of consolidating and expanding its market presence on a continuous basis has been the company's prime focus. While its product range of bias and radial tyres caters to every application, the unparalleled quality has placed it in the enviable position of being the most preferred supplier to almost all automobile manufacturers including even the recent and new entrants. The company's extraordinary commitment to produce and market superior, state-of-the-art tyres has found the new models rolling out on our brand of tyres



Enhancement of service and quality to a new level through Operation Concentration Programmes - OC Meets at Jabalpur (above) and Mysore (below)



particularly Fiat Palio, Maruti Versa, Ford Mondeo in the Passenger segment, and Swaraj Mazda in the light truck segment. This is in addition to the patronage that your company continues to enjoy with all leading OEM's like Maruti, TELCO, Ford, General Motors, Eicher Motors, Mahindra & Mahindra, Escorts, Bajaj Tempo, Hindustan Motors, Toyota, Premier Automobiles, HMT Ltd, and a whole lot of others.

Expanding Markets

The company has also successfully explored new markets beyond the

borders and expanded the areas of its marketing influence in Asia. While exports to Bangladesh, Sri Lanka, and Nepal recorded further increases, Goodyear made substantial headway into the Middle East countries. The success in tyre exports has also received due recognition with the award of the Certificate of Merit in Exports from Capexil.

Building Relationships with Customers

Aggressive marketing and sales support was adequately and effectively provided by a comprehensive advertising and promotion campaigns. The company also undertook close to 700 promotional activities with the successful accomplishment of recording over 75,000 one-to-one consumer interactions.





The technique of repairing the tubeless tyre being explained at a Mechanics Meet at Delhi



Another session on the repair of tubeless tyres held in Mumbai



A Road Show for tubeless tyres held at Coimbatore

Operation Concentration - The long term focus

The absolute priority accorded by Goodyear to its highly beneficial and far reaching programme, Operation Concentration, has been an intrinsic part of its continuous mission towards customer education on Goodyear range of truck tyres. The resulting impact has a rippling effect even as it generates a customer oriented thinking. With the active involvement of all Goodyear associates in Operation Concentration, the programme has been receiving a

synergised thrust in all parts of the country. The visible elements of sincerity and zeal demonstrated by associates has also succeeded in winning over customers and establishing and cementing long term durable relationships.

Throughout the year, Operation Concentration programmes emphasized on salient features and benefits in Goodyear's Power Torq+, Power 2000 and each Operation Concentration also laid adequate emphasis to enhancing the interaction

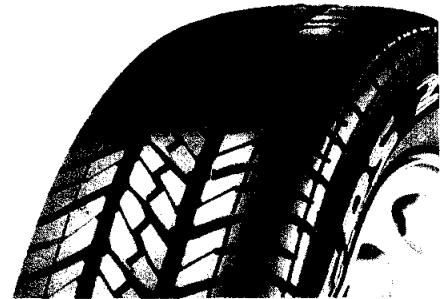
between the company and its customers.

The benefits from customer commitment

One of the most significant outcomes from Goodyear's commitment to customer has been the development of the diverse range of educational programmes. Directed at benefiting all the segments associated with the company, Goodyear has evolved a comprehensive range of programmes that include Seminars, Training, Workshops, Customer Meets, and even Special Tyre Clinics. The goal at these sessions is to share Goodyear's extraordinary knowledge and experience with the invited participants. While the primary purpose is to disseminate accurate information and communication on its tyre range including the inter-related aspects of correct usage, maintenance, maximizing of benefits, and effective trouble shooting techniques, the company has also used the opportunity to gain valuable feed back from customers about their experiences, expectations and perspectives. While almost all segments have been covered in these programmes, specific



A lesson on proper tyre maintenance to a customer during a Free Service Campaign



emphasis has been given to customer segments where specialized applications of tyres are involved. Goodyear's Earthmover Tyres particularly require dedicated attention given their usage in vehicles several core sector industries. The Earthmover Seminars conducted throughout the country were particularly useful and beneficial for customers from steel, and coal industries as it enabled them to better understand and appreciate the advantages of the tyres alongwith key usage features and correct maintenance procedures.

Farm Tyre Programmes

The priority accorded to the Farm Tyre Segment has been translated into

numerous promotional programs, participation in farm melas and training programmes that are directed at equipping customers, OEM staff and OE dealers with the specialized knowledge and skills required to efficiently service the tyre. A new programme - Goodyear Farm Tyre Adjuster Programme was initiated to educating and authorizing OEMs and dealers to handle tyre claim settlement. Emphasis is given to imparting basic Farm Tyre product knowledge, updating skills in defect analysis, building up a comprehensive service network and enhancing the commitment to provide fast and friendly service. In the process the company gains in securing customer

goodwill. Using modern training methods with audio visual support and practical demonstrations, the sessions concentrate on explaining the manufacturing process, upkeep of tyres, safety precautions, proper road usage, load and inflation requirements and defect analysis.

Focusing on Transport Sector

On a different platform to benefit another major customer segment, the company also launched another unique programme, Tyre Maintenance for Maximum Mileage and Economy. Aimed at benefiting organizations with a large fleet of transport including buses, the programme covers a variety of topics including tyre manufacture, selection, product range of Goodyear, brand features and benefits, load distribution, matching and rotation, efficient record system, profile of Goodyear worldwide, and servicing set up in India. The recent beneficiary from the programme, Andhra Pradesh State Road Transport Corporation, with the largest fleet of buses in the country, gained immensely by enhancing tyre mileage and better retreadability. The programme also enabled them to reduce operational costs and achieve savings through improved efficiency.



Mr. William Tan, Manager, Sales Training & Advertisement-Asia along with Goodyear Associates at the RBM Course at Aurangabad



The Escorts officials with Mr. S.A. Raj, Goodyear-India during a Training Programme on Farm Tyres

A Farm Tyre Adjuster Programme for the benefit of M/s. Mahindra & Mahindra dealers at Hyderabad

