

GOODYEAR
One Revolution Ahead



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The automobile scenario in India has undergone a sea change.

From 10 models earlier, today there are over 45 models of cars to choose from. The Goodyear India team works towards providing the ultimate in quality, safety and performance in this rapidly changing market. Our associates work tirelessly on constant improvement in our manufacturing systems and processes, products and services.

The company is fully geared to meet every demand from the expanding OE market. Our commitment to quality ensures that Goodyear products offer our customers, superior performance and dependability. A manifestation of the same is that today, Goodyear is the only tyre company approved by all the OEMs in the country.

Antonio M Capellini

Chairman & Managing Director
Goodyear India

A RAPID SHIFT INTO HIGHER GEAR

"As the market conditions indicate substantial improvement, ... initiatives at Goodyear India will have poised us to seize the advantage and translate opportunities to results." Indeed, the optimism of our outlook as quoted from our Annual Report 2003 has been vindicated. Goodyear India blazed some new trails and raised the bar all-round in several areas of performance. Sensing a much-awaited turn around, the teams pushed ahead with grit, and their commitment and enthusiasm in turn sent the right signals to the market.

BORN TO TRAVEL, BOUND FOR GLORIES

Manifold growth in Exports, adaptation of Six-Sigma culture, increased presence across OEMs and Expansion of the business into new categories and markets have been the highlights of the past year.

Like a number of countries across the world, in India too, prestigious cars and SUVs emerge from the respective plants with Goodyear Tyres as original fitment. This creates a basis for continued demand in the replacement market and creates a customer

segment which seeks quality and expects superior performance. Goodyear meets and exceeds the expectation of these customers by offering numerous types and sizes of tyres for all kind of passenger vehicles.

As instances, GT3, Ducaro GA, Ducaro GDi, and Eagle F1 GSD3 have a strongly loyal following and enjoy recognition worldwide. This transnational opportunity is leveraged by the brand in many ways.



Goodyear tyres as original fitment



*The new Eagle F1 GSD3 :
a technology marvel*

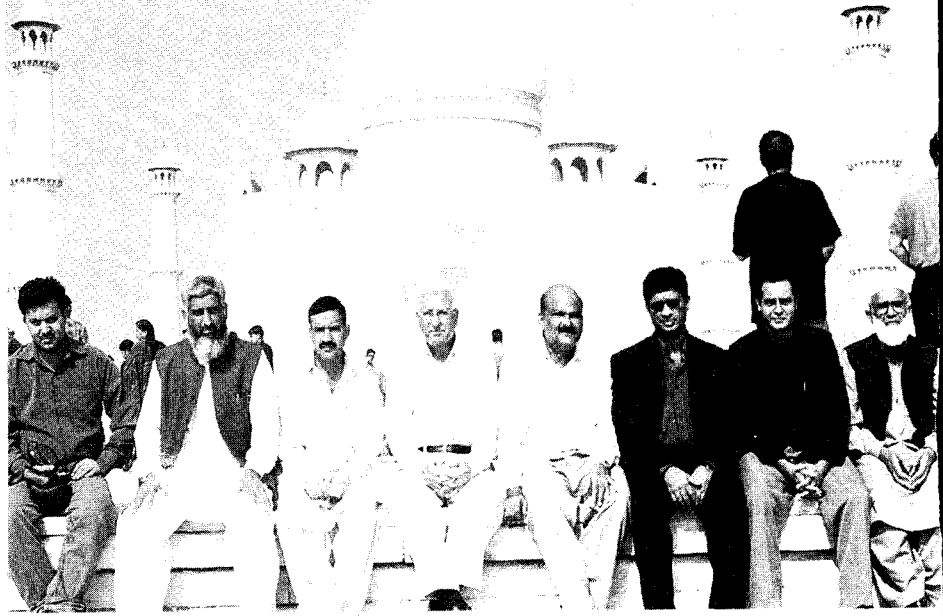
UPWARD TREND IN EXPORTS

Goodyear India has recorded a steady rise in its export turnover. The exports to neighboring Pakistan are worthy of a special mention. Cartage across a land and border and the proximity of the markets are inherent advantages for exports to Pakistan.

The coordinated selling effort in that market has yielded results, and strengthened the relationship between the distributor network and the Company. The visit by a contingent of dealers from Pakistan was a welcome step in the furthering of business ties. The cordial interaction may be expected to widen the scope of the trading partnership. Besides this, dealers from the neighboring emerald isle, Sri Lanka who visited our plant were suitably impressed during their exposure to the infrastructural strengths of Goodyear India.

The Company also played a delighted host to a Turkish delegation. Tyre dealers from this Southern European nation were taken around our plant for a first-hand appreciation of our facilities. Currently an export destination for our products, the interest shown by our associates in Turkey is a positive sign of a continuing development.

2004 has also been a repeat year for accolades like the Capexil award for exports, which yet again came our way.



Pakistan dealers at the venue of one of the World's wonders



Capexil Award for outstanding export performance



Sri Lankan Dealers during their visit to India

Welcoming the Turkish Delegation soon after their arrival, at Goodyear India Plant, Ballabgarh



STATISTICAL SUPERIORITY FOR SOLID LEADERSHIP

Six Sigma is an internationally acclaimed tool, which targets attainment of a decisive quality. The quantum leap from each level to the next need not only be imagined, it is accurately quantified!

An intense focus on Process Improvement increases profitability and proceeds with a keen understanding of what's important to the customer. It creates a culture for seeking and finding solutions to the questions posed to the business by the dynamic market. The importance accorded to it at Goodyear India is borne by the fact that its Six Sigma Steering Committee comprises the entire leadership team and is headed by the Chairman & Managing Director. During the year, the Six-Sigma Workshops have facilitated constructive interaction between various teams and enhanced our collective organisational expertise in its implementation.



Inauguration of the Six Sigma Programme



Service Training at Ashok Leyland about Vehicle Engineering

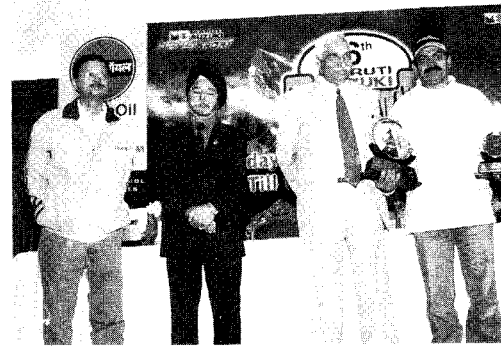


MORE CARS ROLLING ON GOODYEAR

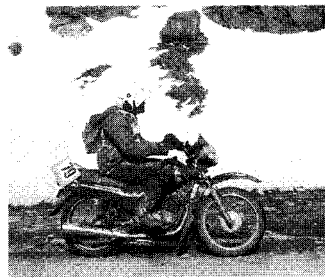
In the year gone by, Goodyear India has consolidated its presence across the car manufacturers in the country. The choices offered to these car OEMs in terms of wide Goodyear range and our superior technology helped us achieve this across car models. From Maruti to Mercedes, from Skoda to Santro; many of these cars roll out of their lines on Goodyear tyres. This increased OE presence is expected to translate into significant replacement demand in the years to come.

EXPANDING INTO NEW SEGMENTS

Goodyear has been expanding its business by entering into new segments as well as by increasing its presence across new markets. By restructuring the trade channels on the basis of the levels of relationship, it is geared to reap better benefits from the sales opportunities in the market. With the vigorous promotion of "Roadstorm" to motorcycle riders through a series of outdoor interactions, the company has forayed into the Two-wheeler tyre category. Roadstorm not only has been proving itself in the market, it has successfully come through the challenges of snowy and mountainous terrain during the Himalayan Rally. It has won a couple of awards in this rally.



Awards for Goodyear at the Himalayan Rally



Negotiating the mountain terrain during the Himalayan Rally



Goodyear Roadstorm Road Show in Bangalore



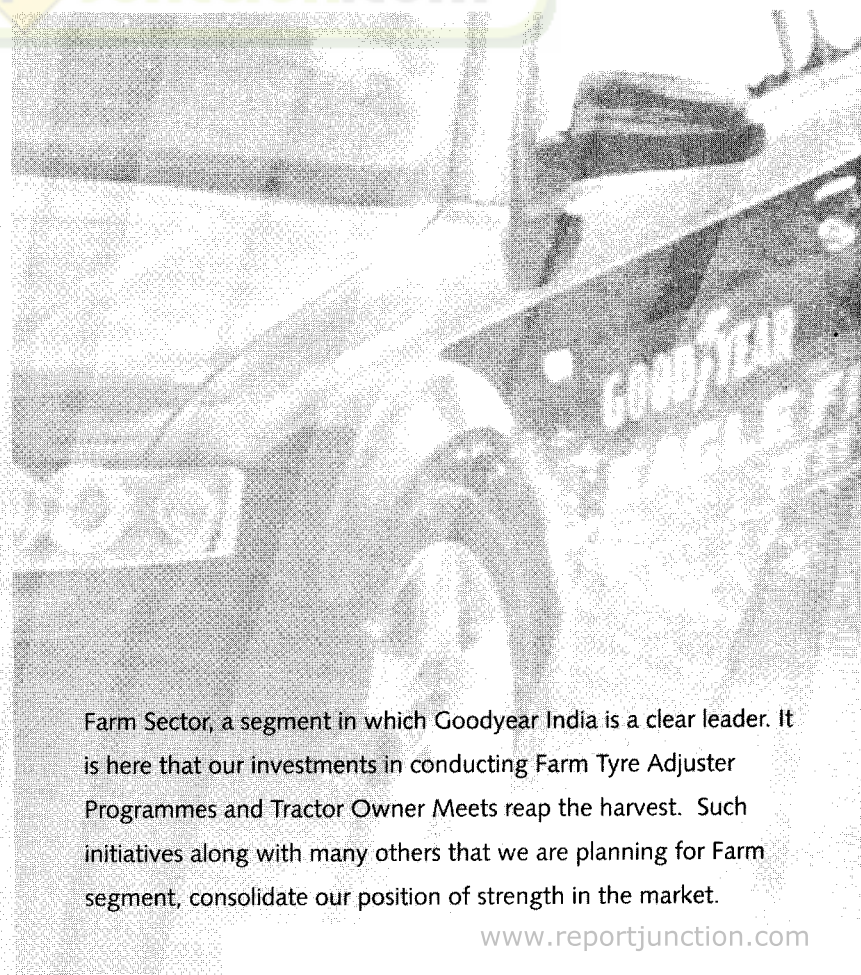
Operation Concentration Programme at Posta in Kolkata

HOT AND READY ON THE ANVIL

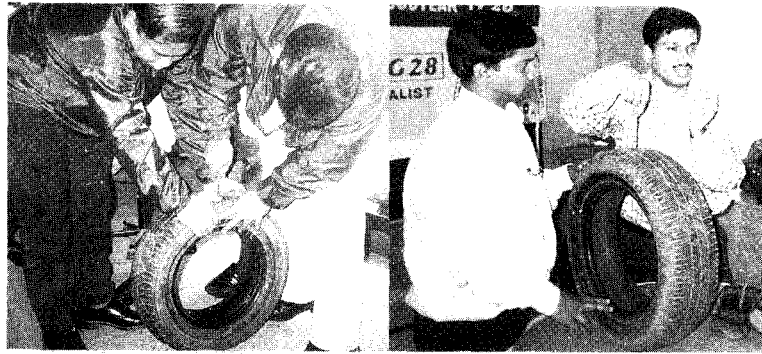
Some of the favourable developments in our environment may be enumerated. There is tremendous growth in the C-segment of the car industry which is of special interest, and easy access to loans and attractive instalments are fuelling the boom in all personal transport segments.

The Budget proposal announced recently has removed the special excise duty of 8%. The custom duty on tyres and its raw materials have come down from 20% to 15%. This proposal augurs well for the company in its growth plan to improve the profitability in the current fiscal year.

The populist thrust in the Budget with significantly greater allocation to agriculture is promising for the



Farm Sector, a segment in which Goodyear India is a clear leader. It is here that our investments in conducting Farm Tyre Adjuster Programmes and Tractor Owner Meets reap the harvest. Such initiatives along with many others that we are planning for Farm segment, consolidate our position of strength in the market.



Puncture repair procedure for tubeless radials being demonstrated to MUL Dealer representatives

CONSUMER CONTACT AND TRAINING

In its quest to lead the trend and shape the future, Goodyear has not only been the first to introduce Tubeless Tyres, it has been actively advancing the concept by organising Training Meets to equip technicians for the maintenance of these tyres. By doing so Goodyear fulfils its responsibility as the pioneer in tubeless category by means of the service support for these tyres. As part of ongoing programmes undertaken by the Company, there are customer and technician meets wherein valuable relevant new information gets disseminated and feedback is collected. These contribute to the brand's standing among key audiences in the marketplace.

A number of channel meets and special training sessions for dealers, which update the knowledge of the participants on aspects such as tyre storage, maintenance, and servicing parameters serve to fortify the brand's position within the trade channels.

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Feedback through dealer visits

Sales & Marketing Teams for reorientation of product upkeep & maintenance



PROTECTING THE LARGER INTEREST

Accounting for the wider social angle, respect and goodwill at large for the Goodyear brand is retained by our continuous initiatives to follow our 107-year old corporate dictum, "Protect Our Good Name". Safety in the broadest sense, and ecological sensitivity are values fostered at Goodyear India. It energetically promotes green zones around its manufacturing facilities. Strict adherence to safety norms in all spheres of business is ensured at various locations. Of equal concern are reduction of process waste and energy consumption. This is only to give the environment its due respect.

It also plays a role in community development to improve the lives of people in the local neighborhoods in the vicinity of our Plants. On 15th October, '04, the Chairman and Managing Director distributed Goodyear Merit Scholarship Awards to 210 meritorious students at the Ballabgarh factory premises.

Today's corporate cannot only be a business entity but must take a larger view of the multifarious stakeholders and serve a gamut of interests in the best manner possible. The enterprise must reach out towards them and realise its own goals by helping them attain theirs. Goodyear India's endeavour is to be an industry leader in its sector and through its operative philosophy, set an example for corporate leadership in the country.

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9 MLAs and Officials from Haryana Vidhan Sabha Public Accounts Committee and Pollution Control Board on a visit to the Plant



The Goodyear Merit Scholarship Award 2003 & 2004 where 210 meritorious children of our Associates were awarded scholarship