UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13E-3

Rule 13E-3 Transaction Statement
Pursuant to Section 13(e) of
the Securities Exchange Act of 1934

LEAR CORPORATION
(Name of the Issuer)

Lear Corporation
American Property Investors, Inc.
American Real Estate Partners, L.P.
American Real Estate Holdings Limited Partnership
AREP Car Holdings Corp.
AREP Car Acquisition Corp.
Carl C. Icahn
Vincent J. Intrieri
(Names of Person(s) Filing Statement)

Common Stock, par value $0.01 per share
(Title of Class of Securities)

521865105
(CUSIP Number of Class of Securities)

Lear Corporation
21557 Telegraph Road
Southfield, MI 48033
Attn: Daniel A. Ninivaggi
Executive Vice President, Secretary and General Counsel
(248) 447-1500

American Real Estate Partners, L.P.
767 Fifth Avenue, Suite 4700
New York, New York 10153
Attn: Keith A. Meister
Principal Executive Officer and Vice Chairman of the Board
(212) 702-4300

(Name, Address, and Telephone Numbers of Person Authorized to Receive Notices
and Communications on Behalf of the Persons Filing Statement)
With copies to:

Bruce A. Toth, Esq.
Winston & Strawn LLP
35 W. Wacker Drive
Chicago, Illinois 60601
(312) 558-5600

Steven L. Wasserman, Esq.
DLA Piper US LLP
1251 Avenue of the Americas
New York, New York 10020
(212) 335-4948

This statement is filed in connection with (check the appropriate box):

a. ☑ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.

b. o The filing of a registration statement under the Securities Act of 1933.

c. o A tender offer.

d. o None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ☑

Check the following box if the filing is a final amendment reporting the results of the transaction: o

Calculation of Filing Fee

Transaction valuation	$2,858,944,606*	Amount of filing fee	$87,770**

* **Calculated solely for the purpose of determining the filing fee.**

** The maximum aggregate value was determined based upon the sum of (A) 76,642,783 shares of Common Stock multiplied by $36.00 per share; (B) options to purchase 720,575 shares of Common Stock with exercise prices less than $36.00 multiplied by $3.94 (which is the difference between $36.00 and the weighted average exercise price of $32.06 per share); (C) restricted stock units with respect to 1,856,831 shares of Common Stock multiplied by $36.00 per share; (D) stock appreciation rights with respect to 2,209,952 shares of Common Stock multiplied by $9.16 (which is the difference between $36.00 and the weighted average exercise price of $26.84 per share); (E) deferred unit accounts with respect to 104,432 shares of Common Stock multiplied by $36.00 per share; and (F) performance shares with respect to 169,909 shares of Common Stock multiplied by $36.00 per share. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying 0.0000307 by the sum calculated in the preceding sentence.

☑ Check the box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	$87,770	Filing Party:	Lear Corporation
Form or Registration No.:	Schedule 14A	Date Filed:	March 20, 2007

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INTRODUCTION

This Rule 13e-3 Transaction Statement (the “Transaction Statement”) is being filed with the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), by Lear Corporation, a Delaware corporation (the “Company”), AREP Car Holdings Corp., a Delaware corporation (“Parent”), AREP Car Acquisition Corp., a Delaware corporation (“Merger Sub”), American Real Estate Holdings Limited Partnership, a Delaware limited partnership (“AREH”), American Real Estate Partners, L.P., a Delaware limited partnership (“AREP”), American Property Investors, Inc., a Delaware corporation, Carl C. Icahn and Vincent J. Intrieri (collectively, the “Filing Persons”).

This Transaction Statement relates to the Agreement and Plan of Merger, dated as of February 9, 2007 (the “Merger Agreement”), by and among the Company, Parent and Merger Sub. If the Merger Agreement is approved by the Company’s stockholders and the other conditions to the closing of the merger are either satisfied or waived, Merger Sub will be merged with and into the Company (the “Merger”). The separate corporate existence of Merger Sub will cease, and the Company will continue its corporate existence under Delaware law as the surviving corporation in the Merger. The separate corporate existence of the Company with all of its rights, privileges, immunities, powers and franchises, shall continue unaffected by the Merger. Upon consummation of the Merger, each share of Company common stock issued and outstanding immediately prior to the effective time of the merger, other than shares owned by Parent, Merger Sub or any subsidiary of Parent or shares held by holders who have properly demanded and perfected their appraisal rights, will be converted into the right to receive $36.00 in cash, without interest and less any applicable withholding taxes.

Concurrently with the filing of this Transaction Statement, the Company is filing with the SEC a preliminary proxy statement (the “Proxy Statement”) under Regulation 14A of the Exchange Act in connection with the Merger and the annual meeting of the stockholders of the Company. The Proxy Statement is attached hereto as Exhibit (a)(1). A copy of the Merger Agreement is attached to the Proxy Statement as Appendix A and is incorporated herein by reference. As of the date hereof, the Proxy Statement is in preliminary form and is subject to completion or amendment.

Pursuant to General Instruction F to Schedule 13E-3, the information in the Proxy Statement, including all annexes, exhibits and appendices thereto, is expressly incorporated by reference herein in its entirety, and responses to each item herein are qualified in their entirety by the information contained in the Proxy Statement. The cross references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the Proxy Statement of the information required to be included in response to the items of Schedule 13E-3.

All information contained in, or incorporated by reference into, this Transaction Statement concerning each Filing Person was supplied by such Filing Person, and no other Filing Person, including the Company, takes responsibility for the accuracy of such information as it relates to any other Filing Person.

The filing of this Transaction Statement shall not be construed as an admission by any of the Filing Persons or by any affiliate of a Filing Person that any Filing Person is an “affiliate” of the Company within the meaning of Rule 13e-3.

Item 1. Summary Term Sheet

The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

“Summary Term Sheet”

Item 2. Subject Company Information

(a) ***Name and Address.*** The Company’s name and the address and telephone number of its principal executive offices are as follows:

Lear Corporation
21557 Telegraph Road
Southfield, Michigan 48033
(248) 447-1500

(b) ***Securities***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary of Annual Meeting – Outstanding Shares"

(c) ***Trading Market and Price***. The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

"Important Information Regarding Lear—Market Price of Common Stock"

(d) ***Dividends***. The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

"The Merger Agreement—Conduct of Business Prior to Closing"

"Important Information Regarding Lear—Market Price of Common Stock"

(e) ***Prior Public Offerings***. Not applicable.

(f) ***Prior Stock Purchases***. The information set forth in the Proxy Statement under the following caption is incorporated herein by reference:

"Important Information Regarding Lear—Prior Purchases and Sales of Lear Common Stock"

Item 3. Identity and Background of Filing Person

(a) ***Name and Address***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"The Parties to the Merger"

"Important Information Regarding Lear"

The required information for this Item 3(a) for filing persons other than Lear is set forth on Appendix A hereto.

(b) ***Business and Background of Entities***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"The Parties to the Merger"

"Important Information Regarding Lear"

The required information for this Item 3(b) for filing persons other than Lear is set forth on Appendix A hereto.

(c) ***Business and Background of Natural Persons***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"The Parties to the Merger"

"Directors and Beneficial Ownership"

"Important Information Regarding Lear—Executive Officers of Lear"

The required information for this Item 3(c) for filing persons other than Lear is set forth in Appendix A hereto.

Item 4. Terms of the Transaction

(a) ***Material terms***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Summary of the Annual Meeting"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors—Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders"

"The Merger Agreement"

Appendix A—The Merger Agreement

(c) ***Different Terms***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Certain Effects of the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"The Merger Agreement—Treatment of Options and Other Awards"

(d) ***Appraisal Rights***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Appraisal Rights"

Appendix E—Section 262 of the General Corporation Law of the State of Delaware

(e) ***Provisions for Unaffiliated Security Holders***. None.

(f) ***Eligibility for Listing or Trading***. Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements

(a) ***Transactions***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Background of the Merger"

"Special Factors—Limited Guaranty"

"Special Factors—Interests of the Lear's Directors and Executive Officers in the Merger"

"Special Factors—Voting Agreement"

"The Merger Agreement"

(b)-(c) ***Significant Corporate Events; Negotiations or Contacts***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors—Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

"Special Factors—Limited Guaranty"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"Special Factors—Voting Agreement"

"The Merger Agreement"

Appendix A—The Merger Agreement

(e) ***Agreements Involving the Subject Company's Securities***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Financing of the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"Special Factors—Limited Guaranty"

"Special Factors—Voting Agreement"

"The Merger Agreement"

Appendix A—The Merger Agreement

Item 6. Purposes of the Transaction and Plans or Proposals

(b) ***Use of Securities Acquired***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purposes and Reasons for the Merger"

"Special Factors—Plans for Lear after the Merger"

"Special Factors—Certain Effects of the Merger"

"The Merger Agreement—Merger Consideration"

"The Merger Agreement—Treatment of Options and Other Awards"

Appendix A—The Merger Agreement

(c)(1)-(8) ***Plans***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors—Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

"Special Factors—Certain Effects of the Merger"

"Special Factors— Financing of the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"The Merger Agreement"

Appendix A—The Merger Agreement

Item 7. Purposes, Alternatives, Reasons and Effects

(a) ***Purposes***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors—Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent's and Merger Sub's as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

"Special Factors—Certain Effects of the Merger"

(b) ***Alternatives***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors— Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

(c) ***Reasons***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors— Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

The Strategic Assessment Report, dated February 2, 2007, by A. T. Kearney Inc. for American Real Estate Partners, L.P. is attached hereto as Exhibit (c)(3) and is incorporated herein by reference. The summary of this report is set forth in Appendix C hereto.

(d) ***Effects***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors— Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

"Special Factors—Certain Effects of the Merger"

"Special Factors—Financing of the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"Special Factors—Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders"

"The Merger Agreement"

Appendix A—The Merger Agreement

Item 8. Fairness of the Transaction

(a)–(b) ***Fairness; Factors Considered in Determining Fairness.*** The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors— Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Plans for Lear after the Merger"

"Important Information Regarding Lear"

Appendix B—Fairness Opinion of J.P. Morgan Securities Inc.

The presentation dated February 6, 2007, prepared by J.P. Morgan Securities Inc. for the Special Committee of the Board of Directors of the Company, is attached hereto as Exhibit (c)(2) and is incorporated by reference herein.

(c) ***Approval of Security Holders***. The transaction is not structured so that approval of at least a majority of unaffiliated security holders is required.

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Summary of the Annual Meeting—Record Date"

"Summary of the Annual Meeting—Quorum"

"Summary of the Annual Meeting—Required Vote"

"The Merger Agreement—Conditions to the Merger"

(d) ***Unaffiliated Representative***. An unaffiliated representative was not retained to act solely on behalf of unaffiliated security holders for purposes of negotiating the terms of the transaction or preparing a report concerning the fairness of the transaction.

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Special Factors— Mr. Icahn's, Mr. Intrieri's, AREP's, Parent's and Merger Sub's Purpose and Reasons for the Merger"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

Appendix B—Fairness Opinion of J.P. Morgan Securities Inc.

(e) ***Approval of Directors***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

(f) ***Other Offers***. Not applicable.

Item 9. Reports, Opinions, Appraisals and Negotiations

(a) – (c) ***Report, Opinion or Appraisal; Preparer and Summary of the Report, Opinion or Appraisal; Availability of Documents***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet—Opinion of J.P. Morgan Securities Inc."

"Special Factors—Background of the Merger"

"Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors"

"Special Factors—Opinion of Financial Advisor to the Special Committee"

"Important Information Regarding Lear"

Appendix B—Fairness Opinion of J.P. Morgan Securities Inc.

The presentation dated February 6, 2007, prepared by J.P. Morgan Securities Inc. for the Special Committee of the Board of Directors of the Company, is attached hereto as Exhibit (c)(2) and is incorporated by reference herein.

The Strategic Assessment Report, dated February 2, 2007, by A. T. Kearney Inc. for American Real Estate Partners, L.P. is attached hereto as Exhibit (c)(3) and incorporated herein by reference. The summary of this report is set forth in Appendix C hereto.

The opinion of Morgan Joseph & Co. Inc., dated February 9, 2007, is attached hereto as Exhibit (c)(4) and is incorporated herein by reference. The summary of this opinion is set forth in Appendix B hereto.

Item 10. Source and Amounts of Funds or Other Consideration

(a) - (d) ***Source of Funds; Conditions; Expenses; Borrowed Funds***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Financing of the Merger"

"The Merger Agreement—Financing"

"The Merger Agreement—Fees and Expenses"

"The Merger Agreement—Termination Fees and Expenses"

"The Merger Agreement—Conditions to the Merger"

Appendix A—The Merger Agreement

Item 11. Interest in Securities of the Subject Company

(a) ***Securities Ownership***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

"Important Information Regarding Lear—Security Ownership of Certain Beneficial Owners and Management"

(b) ***Securities Transactions***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Special Factors—Voting Agreement"

"Important Information Regarding Lear—Securities Ownership of Certain Beneficial Owners and Management"

"Important Information Regarding Lear—Prior Purchases and Sales of Lear Common Stock"

Item 12. The Solicitation or Recommendation

(d) ***Intent to Tender or Vote in a Going-Private Transaction***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Summary Term Sheet"

"Answers to Questions You May Have"

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors”

“Special Factors— Mr. Icahn’s, Mr. Intrieri’s, AREP’s, Parent’s and Merger Sub’s Purpose and Reasons for the Merger”

“Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger”

“Special Factors—Interests of Lear’s Directors and Executive Officers in the Merger”

“Special Factors—Voting Agreement”

(e) ***Recommendation of Others***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Summary Term Sheet”

“Answers to Questions You May Have”

“Special Factors—Background of the Merger”

“Special Factors—Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors”

“Special Factors—Mr. Icahn’s, Mr. Intrieri’s, AREP’s, Parent’s and Merger Sub’s Purpose and Reasons for the Merger”

“Special Factors—The Position of Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub as to the Fairness of the Merger”

“Special Factors—Interests of Lear’s Directors and Executive Officers in the Merger”

Item 13. Financial Information

(a) ***Financial Information***. The audited financial statements set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006 are incorporated herein by reference.

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Important Information Regarding Lear—Selected Financial Data”

“Where You Can Find More Information”

(b) ***Pro forma Information***. Not applicable.

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

(a) ***Solicitations or Recommendations***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

“Answers to Questions You May Have—Questions and Answers About the Annual Meeting”

"Summary of the Annual Meeting—Proxy Solicitation"

(b) ***Employees and corporate assets***. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

"Special Factors—Plans for Lear After the Merger"

"Special Factors—Interests of Lear's Directors and Executive Officers in the Merger"

Item 15. Additional Information

(b) ***Other material information***. The information set forth in the Proxy Statement, including all appendices thereto, is incorporated herein by reference.

Item 16. Exhibits

(a)(1) Preliminary Proxy Statement of Lear Corporation (incorporated by reference to the Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007).

(a)(2) Form of Proxy Card (incorporated herein by reference to the Proxy Statement).

(a)(3) Letter to Stockholders (incorporated herein by reference to the Proxy Statement).

(a)(4) Notice of Special Meeting of Stockholders (incorporated herein by reference to the Proxy Statement).

(b)(1) Commitment Letter, dated February 8, 2007, by Bank of America, N.A. and Banc of America Securities LLC.

(c)(1) Opinion of J.P. Morgan Securities Inc., dated February 8, 2007 (incorporated herein by reference to Appendix B of the Proxy Statement).

(c)(2) Presentation, dated February 6, 2007, by J.P. Morgan Securities Inc. for the Special Committee of the Board of Directors of Lear Corporation.

(c)(3) Strategic Assessment Report, dated February 2, 2007, by A. T. Kearney Inc. for American Real Estate Partners, L.P. †

(c)(4) Opinion of Morgan Joseph & Co. Inc., dated February 9, 2007.

(d)(1) Agreement and Plan of Merger, dated February 9, 2007, among Lear Corporation, AREP Car Holdings Corp. and AREP Car Acquisition Corp. (incorporated herein by reference to Appendix A of the Proxy Statement).

(d)(2) Voting Agreement, dated February 9, 2007, by and among Lear Corporation, Icahn Partners LP, Icahn Partners Master Fund LP, Koala Holding Limited Partnership and High River Limited Partnership (incorporated by reference to Exhibit 2.2 to Appendix B of the Proxy Statement).

(d)(3) Guaranty of Payment, dated February 9, 2007, by American Real Estate Partners, L.P. in favor of Lear Corporation (incorporated by reference to Appendix C of the Proxy Statement).

(d)(4) Stock Purchase Agreement, dated as of October 17, 2006, among the Lear Corporation, Icahn Partners LP, Icahn Partners Master Fund LP and Koala Holding LLC (incorporated by reference to Exhibit 10.1 to Lear's Current Report on Form 8-K (SEC File No. 1-11311), filed on October 17, 2006).

(f) Appendix E to the Proxy Statement (incorporated herein by reference to the Proxy Statement).

† Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act. Omitted portions are indicated in this exhibit with [*].

SIGNATURE

After due inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated as of March 20, 2007

LEAR CORPORATION

By: /s/ Daniel A. Ninivaggi
Name: Daniel A. Ninivaggi
Title: Executive Vice President, Secretary and General Counsel

AREP CAR HOLDINGS CORP.

By: /s/ Hillel Moerman
Name: Hillel Moerman
Title: Chief Financial Officer

AREP CAR ACQUISITION CORP.

By: /s/ Hillel Moerman
Name: Hillel Moerman
Title: Chief Financial Officer

AMERICAN REAL ESTATE HOLDINGS LIMITED PARTNERSHIP

By: American Property Investors, Inc., its General Partner

By: /s/ Hillel Moerman
Name: Hillel Moerman
Title: Chief Financial Officer

AMERICAN REAL ESTATE PARTNERS, L.P.

By: American Property Investors, Inc., its General Partner

By: /s/ Hillel Moerman
Name: Hillel Moerman
Title: Chief Financial Officer

AMERICAN PROPERTY INVESTORS, INC.

By: /s/ Hillel Moerman
Name: Hillel Moerman
Title: Chief Financial Officer

CARL C. ICAHN

By: /s/ Carl C. Icahn

VINCENT J. INTRIERI

By: /s/ Vincent J. Intrieri

INDEX TO EXHIBITS

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(d)(2) Voting Agreement, dated February 9, 2007, by and among Lear Corporation, Icahn Partners LP, Icahn Partners Master Fund LP, Koala Holding Limited Partnership and High River Limited Partnership (incorporated by reference to Exhibit 2.2 to Appendix B of the Proxy Statement).

(d)(3) Guaranty of Payment, dated February 9, 2007, by American Real Estate Partners, L.P. in favor of Lear Corporation (incorporated by reference to Appendix C of the Proxy Statement).

(d)(4) Stock Purchase Agreement, dated as of October 17, 2006, among the Lear Corporation, Icahn Partners LP, Icahn Partners Master Fund LP and Koala Holding LLC (incorporated by reference to Exhibit 10.1 to Lear's Current Report on Form 8-K (SEC File No. 1-11311), filed on October 17, 2006).

(f) Appendix E to the Proxy Statement (incorporated herein by reference to the Proxy Statement).

† Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act. Omitted portions are indicated in this exhibit with [*].

APPENDIX A

Identity and Background of Filing Persons Other than Lear

None of the persons named herein have been, during the last five years: (a) convicted in a criminal proceeding (excluding traffic violations and similar violations or misdemeanors); or (b) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining any filing person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Unless otherwise noted, each natural person named herein is a United States citizen. Unless otherwise noted, each person named herein has a telephone number of (212) 702-4300 and a business address of c/o American Real Estate Partners, L.P., 767 Fifth Avenue, Suite 4700, New York, New York 10153.

Information Regarding American Property Investors, Inc.

American Property Investors, Inc., or API, is a corporation formed in Delaware on February 12, 1987 with principal offices at 767 Fifth Avenue, Suite 4700, New York, New York 10153. API is wholly-owned, through an intermediate subsidiary, by Carl C. Icahn. API's sole business is being the general partner of American Real Estate Partners, L.P. and American Real Estate Holdings Limited Partnership.

The name and material occupations, positions, offices or employment currently and during the last five years of each executive officer and director of API is set forth below:

Carl C. Icahn, Chairman of the Board. Carl C. Icahn's principal occupation is as an investor and fund manager of his affiliated entities. Mr. Icahn has served as Chairman of the Board of API since 1990. Mr. Icahn has served as chairman of the board and a director of Starfire Holding Corporation, or Starfire, a privately-held holding company, and chairman of the board and a director of various subsidiaries of Starfire, since 1984. Through his entities, CCI Onshore Corp. and CCI Offshore Corp., Mr. Icahn manages private investment funds, including Icahn Partners LP and Icahn Partners Master Fund LP. Since February 2005, Mr. Icahn has served as a director of CCI Onshore Corp. and CCI Offshore Corp., which are in the business of managing private investment funds, and, from September 2004 to February 2005, Mr. Icahn served as the sole member of their predecessors, CCI Onshore LLC and CCI Offshore LLC, respectively. Mr. Icahn was also chairman of the board and president of Icahn & Co., Inc., a registered broker-dealer and a member of the National Association of Securities Dealers, from 1968 to 2005. Since 1994, Mr. Icahn has been the principal beneficial stockholder of American Railcar, Inc., or American Railcar, a publicly traded company that is primarily engaged in the business of manufacturing covered hopper and tank railcars, and has served as chairman of the board and as a director of American Railcar since 1994. From October 1998 through May 2004, Mr. Icahn was the president and a director of Stratosphere Corporation, which operates the Stratosphere Casino Hotel & Tower. Mr. Icahn has been chairman of the board and a director of XO Holdings, Inc. since February 2006 and was chairman of the board and a director of XO Communications, Inc. (XO Holdings' predecessor) from January 2003 to February 2006. XO Holdings, Inc. is a publicly traded telecommunications services provider that is majority owned by various entities controlled by Mr. Icahn. Mr. Icahn has served as a director of Cadus Corporation, a publicly traded company engaged in the ownership and licensing of yeast-based drug discovery technologies since July 1993. In May 2005, Mr. Icahn became a director of Blockbuster Inc., a publicly traded provider of in-home movie rental and game entertainment. In September 2006, Mr. Icahn became a director of ImClone Systems Incorporated, or Imclone Systems, a publicly traded biopharmaceutical company, and since October 2006 has been the chairman of the board of ImClone Systems. Mr. Icahn has been licensed by the Nevada State Gaming Control Commission.

William A. Leidesdorf, Director. William A. Leidesdorf's principal occupation is as owner and managing director of Renaissance Housing, LLC. Mr. Leidesdorf has served as a director of API since March 1991. Since December 2003, Mr. Leidesdorf has served as a director of American Entertainment Properties Corp., or AEPC, the sole member of American Casino & Entertainment Properties LLC, or ACEP. Since May 2005, Mr. Leidesdorf has served as a director of Atlantic Coast Entertainment Holdings, Inc., or Atlantic Coast. Mr. Leidesdorf was director of Renco Steel Group, Inc. and was a director of its subsidiary, WCI Steel, Inc., a steel producer which filed for Chapter 11 bankruptcy protection in September 2003. Since June 1997, Mr. Leidesdorf has been an owner and a managing director of Renaissance Housing, LLC, a company primarily engaged in acquiring multifamily residential properties. From April 1995 through December 1997, Mr. Leidesdorf acted as an independent real estate investment banker. Mr. Leidesdorf has been licensed by the Nevada State Gaming Control Commission.

Vincent J. Intrieri, Director. Vincent J. Intrieri's principal occupation is as Senior Managing Director of Icahn Partners LP and Icahn Partners Master Fund LP. Mr. Intrieri has served as a director of API since July 2006. Since February 2007, Mr. Intrieri has served as director and President of AREP Car Holdings Corp. and AREP Car Acquisition Corp. Since December 2006, Mr. Intrieri has been a director of National Energy Group, Inc., or NEGI. Since November 2004, Mr. Intrieri has been a Senior Managing Director of Icahn Partners LP and Icahn Partners Master Fund LP, private investment funds controlled by Mr. Icahn. Since January 1, 2005, Mr. Intrieri has been Senior Managing Director of Icahn Associates Corp. and High River Limited Partnership. From March 2003 to December 2004, Mr. Intrieri was a Managing Director of High River Limited Partnership and from 1998 to March 2003 served as portfolio manager for Icahn Associates Corp. Each of Icahn Associates Corp. and High River Limited Partnership is owned and controlled by Mr. Icahn and is primarily engaged in the business of holding and investing in securities. Since April 2005, Mr. Intrieri has been the president and chief executive officer of Philip Services Corporation, a metal recycling and industrial services company controlled by Mr. Icahn. Since August 2005, Mr. Intrieri has served as a director of American Railcar. From March 2005 to December 2005, Mr. Intrieri was a Senior Vice President, the Treasurer and the Secretary of American Railcar. Mr. Intrieri has served as a director of XO Holdings since February 2006. Prior to that, he had served as a director of XO Communications Inc. (XO Holdings' predecessor) from January 2003 to February 2006. Since April 2003, Mr. Intrieri has been Chairman of the Board of Directors and a director of Viskase Companies, Inc., a publicly traded producer of cellulose and plastic casings used in preparing and packaging meat products that is majority owned by various entities controlled by Mr. Icahn. Since November 2006, Mr. Intrieri has been a director of Lear Corporation, a publicly traded supplier of automotive interior systems and components, in which Mr. Icahn has an interest through the ownership of securities and with which we have entered into an agreement and plan of merger. From 1995 to 1998, Mr. Intrieri served as portfolio manager for distressed investments with Elliott Associates L.P., a New York investment fund. Prior to 1995, Mr. Intrieri was a partner at the Arthur Andersen accounting firm. Mr. Intrieri is a certified public accountant.

James L. Nelson, Director. James L. Nelson's principal occupation is as Chairman and Chief Executive Officer of Eaglescliff Corporation. Mr. Nelson has served as a director of API since June 2001. Since December 2003, Mr. Nelson has been a director of AEPC. Since May 2005, Mr. Nelson has served as a director of Atlantic Coast. From 1986 until the present, Mr. Nelson has been Chairman and Chief Executive Officer of Eaglescliff Corporation, a specialty investment banking, consulting and wealth management company. From March 1998 through 2003, Mr. Nelson was Chairman and Chief Executive Officer of Orbit Aviation, Inc., a company engaged in the acquisition and completion of Boeing Business Jets for private and corporate clients. From August 1995 until July 1999, Mr. Nelson was Chief Executive Officer and Co-Chairman of Orbitex Management, Inc., a financial services company in the mutual fund sector. From August 1995 until March 2001, he was on the Board of Orbitex Financial Services Group. Mr. Nelson currently serves as a director and Chairman of the Audit Committee of Viskase Companies, Inc. Mr. Nelson has been licensed by the Nevada State Gaming Control Commission.

Jack G. Wasserman, Director. Jack G. Wasserman's principal occupation is as an attorney. Mr. Wasserman has served as a director of API since December 1993. Since December 2003, Mr. Wasserman has been a director of AEPC. Since May 2005, Mr. Wasserman has served as a director of Atlantic Coast. Mr. Wasserman is an attorney and a member of the Bars of New York, Florida and the District of Columbia. From 1966 until 2001, he was a senior partner of Wasserman, Schneider, Babb & Reed, a New York-based law firm, and its predecessors. Since September 2001, Mr. Wasserman has been engaged in the practice of law as a sole practitioner. Mr. Wasserman has been licensed by the Nevada State Gaming Control Commission and is an independent member and Chairman of the compliance committee for all AREP's casinos. Since December 1998, Mr. Wasserman has been a director of NEGI. Mr. Wasserman is also a director of Cadus Corporation, a biotechnology company. Affiliates of Mr. Icahn are controlling shareholders of Cadus. Since March 2004, Mr. Wasserman has been a director of Triarc Companies, Inc., a publicly traded diversified holding company. Mr. Wasserman serves on the audit and compensation committees of Triarc.

Keith A. Meister, Principal Executive Officer and Vice Chairman of the Board. Keith A. Meister's principal occupation is as Principal Executive Officer and Vice Chairman of the Board of API. Mr. Meister has served as Principal Executive Officer and Vice Chairman of the Board of API since March 2006. He served as Chief Executive Officer of API from August 2003 until March 2006 and as President of API from August 2003 until April 2005. Mr. Meister also serves as a director of various direct and indirect subsidiaries of AREP. Mr. Meister is also a

Managing Director of Icahn Partners LP, Icahn Partners Master Fund LP and Icahn Partners Master Fund II LP, which are private investment funds controlled by Mr. Icahn. From March 2000 through 2001, Mr. Meister served as co-president of J Net Ventures, a venture capital fund that he co-founded, focused on investments in information technology and enterprise software businesses. From 1997 through 1999, Mr. Meister served as an investment professional at Northstar Capital Partners, an opportunistic real estate investment partnership. Prior to Northstar, Mr. Meister served as an investment analyst in the investment banking group at Lazard Freres. He also serves on the Boards of Directors of the following companies: XO Holdings, American Railcar, and BKF Capital Group, Inc., an investment management firm in which Mr. Icahn is a stockholder.

Peter K. Shea, President. Peter K. Shea's principal occupation is as Head of Portfolio Company Operations at AREH. Mr. Shea has served as President of API since December 2006. Since December 2006, Mr. Shea, has been Head of Portfolio Company Operations at AREH. Since December 27, 2006, Mr. Shea has also served as a director of XO Holdings. Since December 2006, Mr. Shea has served as a director of American Railcar. Since December 20, 2006, Mr. Shea has served as a director of WPI. Since November 2006, Mr. Shea has been a director of Viskase Companies, Inc. Mr. Shea was an independent consultant to various companies and an advisor to private equity firms from 2002 until December 2006. During this period he also served as Executive Chairman of Roncadin GmbH, a European food company, and a Board Director with Sabert Corporation, a manufacturer of plastics and packaging products. From 1997 to 2001, he was a Managing Director of H.J. Heinz Company in Europe, a manufacturer and marketer of a broad line of food products across the globe. Mr. Shea has been Chairman, Chief Executive Officer or President of other companies including SMG Corporation, John Morrell & Company and Polymer United. SMG and John Morrell were international meat processing firms and Polymer United was a leading plastics manufacturer operating throughout Central America. Previously, he held various executive positions, including Head of Global Corporate Development, with United Brands Company, a Fortune 100 Company with a broad portfolio of companies operating in many sectors. Mr. Shea began his career with General Foods Corporation. He has also served on the Boards of Premium Standard Farms and New Energy Company of Indiana.

Hillel Moerman, Chief Accounting Officer and Chief Financial Officer. Hillel Moerman's primary occupation is Chief Accounting Officer and Chief Financial Officer of API. Mr. Moerman has served as Chief Accounting Officer and Chief Financial Officer for API since June 2006 and July 2006, respectively. Since February 2007, Mr. Moerman has served as Chief Financial Officer of AREP Car Holdings Corp. and AREP Car Acquisition Corp. From January 2005 until June 2006, Mr. Moerman, held the positions of Director of Accounting and VP of Strategic Planning for API. Prior to that time, from September 2000 through December 2004, Mr. Moerman was a Senior Manager with Ernst & Young LLP. Mr. Moerman also worked as a staff accountant for the corporate finance group of the Securities and Exchange Commission from 1999 to 2000.

Information Regarding American Real Estate Partners, L.P.

American Real Estate Partners, L.P., or AREP, is a master limited partnership formed in Delaware on February 17, 1987 with principal offices at 767 Fifth Avenue, Suite 4700, New York, New York 10153. AREP is a diversified holding company engaged in a variety of businesses including Gaming, Real Estate and Home Fashion. AREP's primary business strategy is to continue to grow and enhance the value of its businesses. AREP may also seek to acquire additional businesses that are distressed or in out-of-favor industries and will consider divestiture of businesses. In addition, AREP invests its available liquidity in debt and equity securities with a view towards enhancing returns as it continues to assess further acquisitions of operating businesses.

AREP's general partner is API. AREP owns its businesses and conducts its investment activities through a subsidiary limited partnership, American Real Estate Holdings Limited Partnership, or AREH, and its subsidiaries.

Information on the general partner of AREP is set forth in "Information Regarding American Property Investors, Inc." above.

Information Regarding American Real Estate Holdings Limited Partnership

AREH is a limited partnership formed in Delaware on February 17, 1987 with principal offices at 445 Hamilton Avenue, Suite 1210, White Plains, NY 10601. AREH is a diversified holding company engaged in a variety of businesses including Gaming, Real Estate and Home Fashion. AREH's primary business strategy is to continue to grow and enhance the value of its businesses. AREH may also seek to acquire additional businesses that are distressed or in out-of-favor industries and will consider divestiture of businesses from which it does not foresee adequate future cash flow or appreciation potential. In addition, AREH invests its available liquidity in debt and equity securities with a view towards enhancing returns as it continues to assess further acquisitions of operating businesses.

AREH's sole limited partner is AREP, which owns a 99% limited partnership interest in AREH. AREH's general partner is API, which is also the general partner of AREP.

Information on the general partner of AREH is set forth in "Information Regarding American Property Investors, Inc." above.

Information Regarding AREP Car Holdings Corp.

AREP Car Holdings Corp., or Parent, is a Delaware corporation formed on February 1, 2007 with principal offices at 767 Fifth Avenue, Suite 4700, New York, New York 10153. Parent is a wholly owned subsidiary of AREH and was formed solely for the purpose of engaging in the planned acquisition of Lear and other related transactions.

The name and material occupations, positions, offices or employment currently and during the last five years of each executive officer and director of Parent is set forth below:

Vincent J. Intrieri, Director and President. Refer to "Information Regarding American Property Investors, Inc." above.

Felicia Buebel, Secretary. Felicia P. Buebel's primary occupation is senior vice president and counsel to API, AREH and AREP. Ms. Buebel has been the secretary of AREP Car Holdings Corp. and AREP Car Acquisition Corp. since February 2007. Since August 2006, she has served as the assistant secretary of API. Ms. Buebel has been employed as senior vice president and counsel to API, AREH and AREP since December 2000.

Hillel Moerman, Chief Financial Officer. Refer to "Information Regarding American Property Investors, Inc." above.

Andrew Skobe, Vice President, Assistant Treasurer and Assistant Secretary. Andrew Skobe's primary occupation is Treasurer of API. Mr. Skobe has served as Treasurer of API since August 2006. From January 2006 until August 2006, Mr. Skobe held the position of Treasury Director for API. Prior to that time, from 2002, Mr. Skobe was Vice President and Treasurer for the Columbia House Company. From 2001 to 2002, he was a Financial Consultant for Parsons Consulting and before that, he was CFO and Director of Raging Knowledge. Mr. Skobe has also held senior financial positions at the Dun & Bradstreet Corporation, Marvel Entertainment Group, Inc., General Motors, and Manufacturers Hanover.

Information Regarding AREP Car Acquisition Corp.

AREP Car Acquisition Corp., or Merger Sub, is a Delaware corporation formed on February 1, 2007 with principal offices at 767 Fifth Avenue, Suite 4700, New York, New York 10153. Merger Sub is a wholly owned subsidiary of Parent and was formed solely for the purpose of engaging in the planned acquisition of Lear and other related transactions.

The name and material occupations, positions, offices or employment currently and during the last five years of each executive officer and director of Merger Sub is set forth below:

Vincent J. Intrieri, Director and President. Refer to "Information Regarding American Property Investors, Inc." above.

Felicia Buebel, Secretary. Refer to "Information Regarding AREP Car Holdings Corp." above.

Hillel Moerman, Chief Financial Officer. Refer to "Information Regarding American Property Investors, Inc." above.

Andrew Skobe, Vice President, Assistant Treasurer and Assistant Secretary. Refer to "Information Regarding AREP Car Holdings Corp." above.

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APPENDIX B

Opinion of Morgan Joseph & Co. Inc

In connection with the review and analysis of the merger by Mr. Icahn, Mr. Intrieri, AREP, Parent and Merger Sub, the audit committee and the special committee of the board of directors (the “API Committees”) of API engaged Morgan Joseph & Co. Inc. (“Morgan Joseph”) to advise the API Committees and to furnish a written opinion as to the fairness to AREP, from a financial point of view, of the consideration to be paid by AREP in the merger. Morgan Joseph was engaged to provide an opinion as to the fairness to AREP, from a financial point of view, of the consideration to be paid by AREP in the merger, including to comply with provisions of indentures governing AREP indebtedness. Approximately 90% of the outstanding depositary units of AREP (“MLP Units”) are owned by affiliates of Mr. Icahn and, therefore, AREP is deemed to be an affiliate of Mr. Icahn. API is wholly owned by affiliates of Mr. Icahn.

The API Committees selected Morgan Joseph as their financial advisor because Morgan Joseph has substantial experience in transactions similar to the merger. Morgan Joseph regularly engages in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

At a meeting of the API Committees on February 9, 2007, Morgan Joseph furnished to the API Committees its opinion (the “Morgan Joseph Opinion”) that, as of such date, and based upon the assumptions made, matters considered and limitations of its review set forth therein, the consideration to be paid by AREP in the merger was fair, from a financial point of view, to AREP.

The description of the Morgan Joseph Opinion set forth in this section is qualified in its entirety by reference to the full text of the Morgan Joseph Opinion. You are urged to read the Morgan Joseph Opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the Morgan Joseph Opinion and the review and analyses undertaken by Morgan Joseph in furnishing to the API Committees the Morgan Joseph Opinion. The Morgan Joseph Opinion is filed as Exhibit (c)(4) hereto.

The Morgan Joseph Opinion is addressed and was furnished solely to the API Committees and addresses only the fairness, from a financial point of view, of the consideration to be paid by AREP in the merger. It does not address the merits of the underlying business decision by AREP, the API Committees or any of AREP’s affiliates or constituents to propose, consider, approve, recommend, declare advisable or consummate the merger, and does not constitute a recommendation to AREP, the API Committees, AREP’s full board of directors, the holders of MLP units, or any other AREP constituent, person or entity as to any specific action that should be taken (or not be taken) in connection with the merger or as to any strategic or financial alternatives to the merger or as to the timing of any of the foregoing.

In connection with furnishing the Morgan Joseph Opinion, Morgan Joseph reviewed and analyzed, among other things, the following:

- the February 6, 2007 draft of the merger agreement (which at such date Morgan Joseph assumed was, with respect to all material terms and conditions thereof, substantially in the form of the definitive agreement executed and delivered by the parties thereto);
- the Annual Report on Form 10-K filed by Lear with the SEC for its fiscal year ended December 31, 2005, the Quarterly Reports on Form 10-Q filed by Lear with the SEC for its fiscal quarters ended April 1, 2006, July 1, 2006, September 30, 2006, and certain other filings made by Lear with the SEC under the Exchange Act;

- the Annual Report on Form 10-K filed by AREP with the SEC for its fiscal year ended December 31, 2005, the Quarterly Reports on Form 10-Q filed by AREP with the SEC for its fiscal quarters ended March 31, 2006, June 30, 2006 and September 30, 2006, and certain other Exchange Act filings made by AREP with the SEC;
- certain other publicly available business and financial information concerning Lear and AREP, respectively, and the industries in which they operate, which Morgan Joseph believed to be relevant;
- certain internal information and other data relating to Lear and AREP, respectively, and their respective business and prospects, including budgets, projections and certain presentations prepared by Lear and AREP, respectively, which were provided to Morgan Joseph by AREP's senior management;
- the reported sales prices and trading activity of Lear's common stock;
- certain publicly available information concerning certain other companies which Morgan Joseph believed to be relevant and the trading markets for certain of such other companies' securities;
- the financial terms of certain recent unrelated transactions which Morgan Joseph believed to be relevant; and
- the resolutions of the board of directors of API, dated February 2, 2007, establishing and appointing the membership of the special committee of the board of directors of API and prescribing its authority and mandate with respect to the proposed merger, a complete and correct copy of which were provided to Morgan Joseph by AREP's senior management.

Morgan Joseph also participated in various conferences with certain officers, directors (including the members of the API Committees), employees and outside consultants of AREP and its affiliates concerning the business, operations, assets, financial condition and prospects of AREP and Lear, respectively, and undertook such other studies, analyses and investigations as Morgan Joseph deemed relevant to the Morgan Joseph Opinion.

In performing its analyses, numerous assumptions were made with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Morgan Joseph, Mr. Icahn, API, AREP, Parent, Merger Sub and Lear. Any estimates contained in the analyses performed by Morgan Joseph are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than those suggested by such analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which those businesses or securities might actually be sold. Accordingly, the analyses and estimates are inherently subject to substantial uncertainty.

In preparing the Morgan Joseph Opinion, Morgan Joseph assumed and relied upon the accuracy and completeness of all financial and other publicly available information and data used by it and did not attempt independently to verify such information, nor did Morgan Joseph assume any responsibility or liability to do so. Morgan Joseph also assumed and relied upon the assurances of senior management of AREP and its affiliates that no relevant information had been omitted or remained undisclosed to Morgan Joseph, and Morgan Joseph did not attempt independently to verify any such information, nor did Morgan Joseph assume any responsibility or liability to do so. Morgan Joseph assumed that the forecasts and projections of Lear, which were provided by AREP's senior management and reviewed by Morgan Joseph, had been reasonably prepared based on the best current estimates, information and judgment of AREP's and Lear's senior management, respectively, as to the future financial condition, cash flows and results of operations of AREP and Lear and their consolidated subsidiaries, respectively. Morgan Joseph neither made an investigation of any such forecasts or projections or the assumptions on which they are based, nor did it assume any responsibility to do so. Morgan Joseph further assumed that the transfer of substantially all of the assets of Lear's North American interior business segment to IAC North America will be completed and that the merger will be consummated in accordance with the terms and subject to the conditions contained in the merger agreement, without any economic or material further amendments thereto or modification thereof, and without any waiver by AREP or Lear of any of the conditions to their respective obligations thereunder.

Morgan Joseph made no independent investigation of any legal, accounting or tax matters affecting Lear, AREP or any of their respective affiliates, or the merger, and Morgan Joseph assumed the accuracy and completeness of all legal, accounting and tax advice provided to AREP and the API Committees by AREP's management and the API Committees' independent professional advisors. Morgan Joseph did not conduct a physical inspection of any of the properties, assets or facilities of Lear or AREP, nor did it make or obtain any independent valuation or appraisal of such properties, assets or facilities. Morgan Joseph also took into account its assessment of general economic, market and financial conditions and its experience in transactions that, in whole or in part, it deemed to be relevant for purposes of its analyses, as well as its experience in securities valuation in general.

The Morgan Joseph Opinion necessarily is based upon economic, market, financial and other conditions as they existed on February 9, 2007 and does not address the fairness of the consideration to be paid by AREP to holders of Lear's common stock in the proposed merger on any other date. Morgan Joseph expressed no opinion as to the price at which the depositary units of AREP or any other securities will trade at any future time.

In connection with furnishing to the API Committees the Morgan Joseph Opinion, Morgan Joseph performed a variety of financial analyses, which are summarized below. These analyses were presented to the API Committees at a meeting held on February 9, 2007. The summary set forth below does not purport to be a complete description of the analyses performed by Morgan Joseph in this regard. The preparation of an opinion regarding financial fairness involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of these methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to a partial analysis or summary description. Accordingly, notwithstanding the separate analyses summarized below, Morgan Joseph believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors considered by it, without considering all of its analyses and factors, or attempting to ascribe relative weights to some or all of its analyses and factors, could create an incomplete view of the evaluation process underlying the Morgan Joseph Opinion.

The financial forecasts and forward-looking financial data of Lear and AREP, which were furnished to Morgan Joseph and used by it in some of its analyses, were prepared by the management of Lear and AREP, respectively. Morgan Joseph was advised by the API Committees that neither Lear nor AREP publicly discloses financial forecasts or forward-looking financial data of the type provided to Morgan Joseph in connection with its review of the proposed merger, and, as a result, these financial forecasts and forward-looking financial data were not prepared by Lear and AREP, respectively, with a view towards public disclosure or in accordance with any AICPA or other prescribed accounting guidelines or published best practices for public company financial forecasts or projections. Morgan Joseph was specifically informed by management of Lear and AREP, respectively, that these financial forecasts and forward-looking financial data were based on numerous variables and assumptions developed and applied in good faith by management of Lear and AREP, respectively. These variables and assumptions are inherently uncertain, including, without limitation, factors related to general market, industry, economic and competitive conditions. Accordingly, Morgan Joseph was informed that actual results could vary significantly from those set forth in such financial forecasts and forward-looking financial data.

No company or transaction used in the analyses described below is identical to AREP, Lear or the proposed merger. Accordingly, an analysis of the results thereof necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the proposed merger or the public trading or other values of AREP, Lear or companies to which they are being compared. Mathematical analysis (such as determining an average or median) is not in itself a meaningful method of using selected acquisition or company data. In addition, in performing such analyses, Morgan Joseph relied, without any independent verification, on projections prepared by research analysts at established securities firms, any of which may or may not prove to be accurate.

The following is a summary of the material analyses performed by Morgan Joseph in connection with the Morgan Joseph Opinion.

Selected Comparable Transactions Analysis

Using publicly available information, Morgan Joseph reviewed the purchase prices and multiples paid in the following selected merger and acquisition transactions involving companies in the automotive interior systems supplier industries in which it deemed relevant in reviewing the financial terms of the proposed merger (the “Selected Transactions”), presented below in Acquiror/Target format (with parenthetical reverse chronological date of announcement):

- Robert Bosch/Pacifica Group Ltd. (October 18, 2006);
- Asahi Tec Corp./Metaldyne Corp. (September 1, 2006);
- EQT Partners/ MTU Friedrichshafen GmbH (December 28, 2005);
- BorgWarner Germany/Beru AG (November 1, 2004);
- Magna International, Inc./Tesma International Inc. (October 25, 2004);
- Cypress Group, Goldman Sachs/Cooper-Standard Holdings Inc. (September 9, 2004);
- Cypress Group/Dana Corp. (automotive parts division) (July 9, 2004);
- Cypress Group/Affina Group Inc. (July 9, 2004);
- Carlyle Group/United Components Inc. (May 1, 2003);
- Blackstone Group/TRW Inc. (automotive parts division) (November 17, 2002);
- Timkin Co./The Torrington Company (October 16, 2002);
- Collins & Aikman Corp./Textron Autotive Trim (August 7, 2001); and
- Heartland Industrial Partners/Collins & Aikman Corp. (January 12, 2001).

Morgan Joseph applied a methodology similar to the one it used in its selected publicly traded companies analysis described below, but relied on multiples derived from merger and acquisition transactions involving target companies in industries similar, although not identical, based on their participation in one or more product segments in which Lear competes. These product segments include, but are not limited to, automotive interior seating, electrical distribution systems and select electronic and other products.

Morgan Joseph considered all of the Selected Transactions (which ranged in transaction value from $4.725 billion to $452.8 million) as a group and did not view any single transaction to be more relevant than the others. The financial information reviewed by Morgan Joseph included the purchase prices and multiples paid by the acquiring company of the acquired company’s financial results over the twelve-month period preceding the acquisition (“LTM”). The table below summarizes the results of this analysis:

Multiples Observed from the Selected Transactions

	25th Percentile	50th Percentile	75th Percentile
Multiple of Transaction Value:			
/LTM Sales	0.6x	0.7x	0.7x
/LTM EBITDA (1)	5.1x	6.0x	6.8x
/LTM EBIT(2)	8.3x	10.1x	10.6x

(1) “EBITDA” means earnings before interest, taxes, depreciation and amortization.

(2) “EBIT” means earnings before interest and taxes.

Based on this analysis, Morgan Joseph derived a valuation range of 5.1x to 6.8x Lear’s 2006 adjusted EBITDA of $856.0 million to arrive at an implied share price range for Lear of $28.71 to $47.80, yielding a median implied share price of $38.50. The merger consideration is within this range of implied share prices. The implied share price range set forth above assumed adjustments to EBITDA to eliminate the results of Lear’s North American interior business segment, which is pending divestiture, and to eliminate certain charges considered to be of a non-recurring nature including goodwill and fixed asset impairment and restructuring charges (the “EBITDA Adjustments”). Lear has classified such business segment in Note 2 to Lear’s consolidated financial statements included in its Annual Report on Form 10-K for its fiscal year ended December 31, 2006 as constituting “assets and liabilities held for sale”. The range of EBITDA multiples applied by Morgan Joseph reflect the 25th percentile, at the low end, and the 75th percentile, at the high end, of the range of the Selected Transactions.

Selected Publicly Traded Companies Analysis.

Using publicly available information, Morgan Joseph reviewed the stock prices (at February 2, 2007) and selected market trading multiples of the following companies (the "Selected Companies"):

- American Axle & Manufacturing Holdings Inc.;
- Dana Corp.;
- Faurecia SA;
- Johnson Controls Inc.;
- Magna International, Inc.;
- TRW Automotive Holdings Corp.;
- Valeo SA; and
- Visteon Corp.

The financial information reviewed by Morgan Joseph included market trading multiples exhibited by the Selected Companies with respect to their LTM, their 2006 estimated financial performance and their 2007 estimated financial performance. The table below provides a summary of these comparisons:

Multiples Observed from the Selected Companies

	25th Percentile	50th Percentile	75th Percentile
Multiple of Enterprise Value:			
/LTM EBITDA	4.5x	4.9x	5.7x
/2006 Estimated EBITDA	4.7x	5.5x	6.2x
/2007 Estimated EBITDA	4.5x	4.7x	4.9x

The multiples shown in the table above exclude Johnson Controls from the averages. Johnson Controls is a direct competitor of Lear in the automotive seating business. However, approximately 43% of Johnson Control's revenues in fiscal 2006 and approximately 66% of operating income, excluding restructuring costs, were derived from businesses other than Johnson Control's automotive interior systems and products. As a result, Morgan Joseph believed that Johnson Controls multiples were not indicative of comparable public companies in the automotive parts industry.

The financial information reviewed by Morgan Joseph also included market trading multiples exhibited by Lear with respect to its LTM, its 2006 estimated financial performance and its 2007 estimated financial performance, as set forth in the table below:

Multiples for Lear

Multiple of Enterprise Value:	
/LTM EBITDA	6.8x
/2006 Estimated EBITDA	6.8x
/2007 Estimated EBITDA	5.4x

Based on this analysis, Morgan Joseph derived a valuation range of 4.5x to 6.2x Lear's 2006 adjusted EBITDA of $856.0 million to arrive at an implied share price range for Lear of $22.16 to $40.79, yielding a median implied share price of $30.45. The merger consideration is within this range of implied share prices. The implied share price range set forth above took into account the EBITDA Adjustments. The range of EBITDA multiples applied by Morgan Joseph reflect the 25th percentile, at the low end, and the 75th percentile, at the high end, of the range of the Selected Companies.

Because of the inherent differences in the business operations, financial condition and prospects of Lear, and the business operations and financial condition of the Selected Companies, Morgan Joseph did not rely solely on the quantitative results of the selected publicly traded companies analysis. Morgan Joseph also made non-mathematical, qualitative and subjective judgments concerning differences between the characteristics of the comparable companies and Lear which, in its judgment, could affect the values of such companies. The non-mathematical qualitative and subjective judgments made by Morgan Joseph included an evaluation of the different stages of maturity and the industry cycle of each Selected Company.

Discounted Cash Flow Analysis

Morgan Joseph selected the range of discount rates used for this analysis by calculating Lear's implied weighted average cost of capital ("WACC"). Lear's WACC was calculated by using various assumptions, including, but not limited to, an assumed cost of equity of 14.4% to 18.1%, an assumed pre-tax cost of debt of 8.5%, and an assumed marginal tax rate of 38%. The WACC calculation resulted in an approximate 11% discount rate for Lear which was used as a midpoint for the 10%-12% discount rate range.

Morgan Joseph performed a discounted cash flow analysis to estimate the present value of the stand-alone, unlevered, after-tax free cash flows that Lear was projected to generate over the calendar years 2006 through 2010, based on internal estimates provided by Lear's and AREP's managements. Unlevered free cash flow represents the amount of cash generated and available for principal, interest and dividend payments after providing for the funding of Lear's ongoing business operations. These cash flows were discounted to a present value using discount rates ranging from 10.0% to 12.0%. To calculate the implied enterprise value range for Lear, the discounted cash flows were added to a range of estimated "terminal" (end date) values, which was calculated by using the EBITDA Exit Multiple Methodology.

This method calculates the terminal value by applying multiples ranging from 4.5x to 5.5x, based on EBITDA multiples paid as per the comparable transactions analysis, to the projected 2010 EBITDA of Lear. The implied terminal values were then discounted to present value using 10.0% to 12.0% discount rates. The present values of the implied terminal values of Lear were then added to the present value of the after-tax free cash flows to arrive at a range of enterprise values. The table below provides a summary of the range of enterprise values.

	Free Cash Flow as of December 31, 2006	Enterprise Value		
		4.5x	5.0x	5.5x
WACC				
10.0%	$1,958.5	$5,323.1	$5,697.0	$6,070.8
11.0%	$1,914.8	$5,159.7	$5,520.3	$5,880.8
12.0%	$1,872.6	$5,003.2	$5,351.0	$5,698.8

This analysis indicated an implied equity value per share range for Lear. The table below provides a summary of the range of implied equity value per share range.

	Net Debt and Minority Interest as of December 31, 2006	Equity Value per Share(1)		
		4.5x	5.0x	5.5x
WACC				
10.0%	$2,061.0	$41.31	$46.04	$50.78
11.0%	$2,061.0	$39.24	$43.80	$48.37
12.0%	$2,061.0	$37.26	$41.66	$46.07

(1) Based on 79.0 million fully diluted shares outstanding February 2, 2007.

Although the Discounted Cash Flow analysis produced values higher than the consideration to be paid by AREP in the merger, Morgan Joseph believes that the analyses described in the Morgan Joseph Opinion must be considered as a whole and not on an individual basis, and that to consider it otherwise than as an entirety could potentially present an inaccurate or misleading description of such analyses.

Premiums Paid Analysis

Morgan Joseph reviewed the premiums paid for 317 selected publicly announced U.S. domestic transactions announced between February 2, 2006 and February 2, 2007 having transaction values of between $1.0 billion and $10.0 billion. Morgan Joseph then compared the average premiums of these transactions based on per share market prices of the target company at reference points of one day prior to transaction announcement, one week prior to transaction announcement and one month prior to transaction announcement, respectively, to the implied premium based on the merger consideration of approximately $36.00 per share in cash to Lear's stock price at the same reference points as well as to Lear's average stock price over a one-month, three-month and twelve-month period. The following table shows the average premiums of the above mentioned transactions and the implied premium based on the merger consideration.

	Target Offer Premium to		
	1 Day Prior	1 Week Prior	1 Month Prior
Average Offer Premium	52.3%	69.0%	24.9%
Lear Merger Offer Premium	3.8%	4.0%	29.2%

AREP and Morgan Joseph entered into a letter agreement dated February 1, 2007 relating to the services to be provided by Morgan Joseph in connection with the proposed merger. Pursuant to the terms of such letter agreement, AREP paid $375,000 to Morgan Joseph upon execution of the engagement letter and $375,000 on February 9, 2007 upon the delivery of the Morgan Joseph Opinion to the API Committees. AREP also agreed to reimburse Morgan Joseph for its reasonable out-of-pocket expenses incurred in connection with its engagement, including certain fees and disbursements of its legal counsel. Such fees and reimbursements were not contingent upon consummation of the merger. Under a separate letter agreement, AREP agreed to indemnify Morgan Joseph against liabilities relating to or arising out of its engagement, including liabilities under the U.S. federal securities laws.

In the ordinary course of business during the past two years, Morgan Joseph (i) was engaged by the API Committees to provide fairness opinions to the API Committees in January 2005 in connection with certain acquisition transactions similar in nature to the proposed merger involving the acquisition by AREP of certain companies in which affiliates of Mr. Icahn owned capital stock, for which Morgan Joseph received aggregate fees of $1,000,000, and (ii) has been engaged by the API Committees to provide fairness opinions to the API Committees in connection with (a) a potential transaction involving the acquisition by AREP of certain debt instruments and the assumption of certain rights and obligations under certain derivative securities of a certain publicly traded company held by affiliates of Mr. Icahn, for which Morgan Joseph would receive fees of $750,000 upon delivery of its opinion to the API Committees and (b) an additional potential transaction involving the acquisition by AREP of all of the capital stock owned by affiliates of Mr. Icahn of a certain closely held company, for which Morgan Joseph has received a fee of $375,000 upon execution of an engagement letter in connection therewith and would receive an additional fee of $375,000 upon delivery of its opinion to the API Committees.

In accordance with the letter agreement, Morgan Joseph's opinion is addressed solely to the API Committees, solely for their use in connection with their review and evaluation of the consideration proposed to be paid by AREP in the merger. Neither the Morgan Joseph Opinion nor its underlying financial analyses may be relied on by any person or entity other than the members of the API Committees, in their capacity as such, without the prior written consent of Morgan Joseph. In accordance with the letter agreement, no holders of MLP Units, or any other AREP constituent, person or entity can rely or assert reliance on the Morgan Joseph Opinion or underlying financial analyses in connection with any voting, credit extension, audit or other consideration or assessment of the relative merits, risks or financial reporting requirements of the merger, or otherwise. Morgan Joseph's view is that its duties in connection with the Morgan Joseph Opinion extend solely to the API Committees and that it has no legal responsibilities in respect thereof to any other person or entity under the laws of the State of New York, the laws which govern the engagement letter agreement between AREP and Morgan Joseph. Morgan Joseph states in the letter agreement that it would likely assert the substance of this view and the disclaimer described above as a defense to claims and allegations, if any, that might hypothetically be brought or asserted against it by any persons or entities other than the API Committees with respect to the Morgan Joseph Opinion and its financial analyses thereunder. Morgan Joseph also states, however, that because no court has definitely ruled to date on the availability of this defense to a financial advisor who furnished to its client for its exclusive use a fairness opinion, this issue necessarily would have to be judicially resolved on the merits in a final and non-appealable judgment of a court of competent jurisdiction. The letter agreement provides that there can be no assurance that such a court would apply the laws of the state of New York to the analyses and ultimate resolution of this issue if it were to be properly briefed by the relevant litigants and presented to the court. The letter agreement also provides that, in all cases, the hypothetical assertion or availability of such a defense would have absolutely no effect on Morgan Joseph's rights and responsibilities under U.S. federal securities laws, or the rights and responsibilities of the API Committees under applicable state law or under U.S. federal securities laws.

APPENDIX C

A.T. Kearney Report

In connection with its review and analysis of the proposed merger of Merger Sub with and into Lear, American Real Estate Partners, L.P. engaged A.T. Kearney, Inc. to conduct a business diligence review of Lear and to provide a strategic assessment of Lear, its competitors and the automotive industry generally. This report is referred to as the A.T. Kearney Report. A.T. Kearney is an affiliate of an international management consulting firm with experience providing business strategy, operations, and organization planning and consulting services. AREP instructed A.T. Kearney to conduct a strategic assessment of Lear, including an analysis of Lear's revenue plan, restructuring plan, competitive position and prospects within the seating and electronic and electrical markets. A.T. Kearney did not review or analyze transactions comparable to the merger, provide advice or recommendations with respect to the consideration to be offered in connection with the merger or evaluate the fairness of the proposed merger to the stockholders of Lear.

A.T. Kearney regularly engages in business diligence reviews and strategic assessments similar to that conducted for AREP. AREP selected A.T. Kearney to perform the business diligence review and strategic assessment based on A.T. Kearney's knowledge, experience, and reputation in conducting such reviews and assessments, in general, and its understanding of the automotive parts industry in particular. A.T. Kearney has had no material relationship with AREP during the past two years and A.T. Kearney received customary fees in connection with the preparation and delivery of the A.T. Kearney Report.

On February 2, 2007, A.T. Kearney presented the A.T. Kearney Report to AREP. The A.T. Kearney Report is attached to this document as Exhibit (c)(3). The following is a summary of the material analyses and conclusions contained in the A.T. Kearney Report. Please refer to Exhibit (c)(3) for a further description of the assumptions made, matters considered and qualifications and limitations on the A.T. Kearney Report and the review and analyses undertaken by A.T. Kearney in furnishing to AREP the A.T. Kearney Report.

The A.T. Kearney Report is addressed and was furnished to AREP. It does not address the merits of the underlying business decision by AREP or any of AREP's affiliates or constituents to propose, consider, approve, recommend, declare advisable or consummate the merger, and does not constitute a recommendation to the stockholders of Lear, AREP, the holders of AREP's depositary units, or any other AREP or Lear constituent, person or entity as to any specific action that should be taken (or not be taken) in connection with the merger or as to any strategic or financial alternatives to the merger or as to the timing of any of the foregoing.

The A.T. Kearney Report was prepared and delivered not for purposes of assessing the fairness to AREP or Lear stockholders of the merger or the consideration to be paid in connection with the merger, but as part of a general business strategy consulting assignment intended to educate AREP with respect to the industry in which Lear operates and Lear’s competitive position within that industry. The A.T. Kearney Report was not intended as a valuation of the fair market price per share in connection with the merger and it does not address the merits or fairness of the merger or the merger consideration.

Project Methodology

In connection with furnishing the A.T. Kearney Report, A.T. Kearney reviewed and analyzed, among other things, publicly available information and reports on the automotive industry and the automotive Tier I market generally and the seating and electrical and electronics markets specifically; information provided by members of Lear’s management team; onsite interviews of Lear executives; and publicly available information on Lear and Lear’s major customers and competitors.

A.T. Kearney assumed and relied upon the accuracy and completeness of all publicly available information and data used by it and did not attempt to independently verify such information, nor did A.T. Kearney assume any responsibility or liability to do so. A.T. Kearney also assumed and relied upon the information and projections provided to it by AREP and Lear and that no relevant information had been omitted. A.T. Kearney did not attempt to independently verify any such information, nor did it assume any responsibility to do so.

Throughout the course of its engagement, A.T. Kearney’s representatives were in contact with AREP in order to respond to specific instructions about the scope of its due diligence.

Summary of Findings

A.T. Kearney identified the following as strengths with respect to Lear and its business:

- The seating market shows growth potential because seats are increasing in content and are increasingly used for vehicle differentiation;
- Lear operates in a seat market with consolidated competition and rational pricing;
- Lear has strong people, operations and systems;
- Lear is favorably viewed in the industry and is trusted by most auto makers to deliver major programs; and
- Lear’s business has a strong balance of market presence in North America and Europe with a growing Asian presence.

A.T. Kearney identified the following concerns with respect to Lear and its businesses:

- Generic risks associated with the North American based automotive Tier I market, including declining sales from the traditional “Big 3” auto makers; cost pressures from auto makers and raw material pricing volatility;
- Lear’s ability to quickly transition sales and associated cost structure from North America to Asia and Eastern Europe are impacted by a significant union presence in Lear operations in North America and declining North American revenue which will create excess capacity in that region; and
- A softening of Lear’s revenue pipeline in 2008 and 2009 with limited commercial opportunities in that timeframe.

A.T. Kearney concluded that Lear is a well-positioned major seat supplier with a much smaller, sub-scale electrical and electronics business and made the following conclusions with respect to Lear and its businesses:

- In late 2006 and projected into 2007, Lear has improved operating income levels to 3.2% and has rebounded from a weak performance in 2005;
- Lear is executing a restructuring program for a total restructuring savings of approximately $125.0 million annually with an investment of approximately $300.0 million over the 2005-2007 timeframe;
- Lear enjoys a strong relationship with its major customers and has successfully executed new program launches;
- A review of 10 of Lear’s major programs representing in excess of $4 billion in revenues indicated that all programs reviewed were positive contributors with manageable risks;
- Lear’s program management system and culture provide strong financial control, assumption tracking and execution management;
- Lear is implementing a metal strategy to increase vertical integration and expand the metal and mechanism content, which requires it to increase competency in this complex area;
- There is softness in the North American revenue pipeline in 2008 and 2009 that can be offset by aggressive sales activity in the near-future and/or increased restructuring and cost savings efforts; and
- The Electrical distribution business is 4th in the market place, while electronics is a sub-scale niche player:
  - While these businesses are stable performers, their smaller size and differing competencies may require strategies different from that for the seating business.

Exhibit (b)(1)

BANK OF AMERICA, N.A.
9 West 57th Street
New York, NY 10019

BANC OF AMERICA SECURITIES LLC
9 West 57th Street
New York, NY 10019

February 8, 2007

AREP Car Acquisition Corp.
$2,600,000,000 Senior Secured Term Facility
$1,000,000,000 Senior Secured Revolving Facility
Commitment Letter

AREP Car Acquisition Corp.
c/o American Real Estate Holdings Limited Partnership
White Plains Plaza
445 Hamilton Avenue — Suite 1210
White Plains, NY 10601

Attention: Keith Meister, Vice Chairman

Ladies and Gentlemen:

You have advised Bank of America, N.A. ("Bank of America") and Banc of America Securities LLC ("BAS", and together with Bank of America, the "Commitment Parties") that AREP Car Acquisition Corp. ("AcquisitionCo", the "Borrower" or "you"), formed at the direction of and wholly-owned by American Real Estate Holdings Limited Partnership (the "Sponsor") through AREP Car Holdings Corp. ("Holdings"), intends to acquire (the "Acquisition") a company previously identified to us as Lear Corporation (the "Company") pursuant to a merger between AcquisitionCo and the Company pursuant to a merger agreement (the "Merger Agreement") with the Company as the survivor thereof and thereafter the "Borrower" under the Facilities referred to below.[1] You have further advised us that, in connection with the foregoing:

(A) the Sponsor will make, or cause to be made, a direct cash equity contribution to AcquisitionCo in an amount of not less than $1,300,000,000 (net of amounts paid by AREP Car Holdings Corp., an indirect subsidiary of the Sponsor, to acquire shares of the Company held by affiliates of the Sponsor immediately prior to the Acquisition at a price per share equal to the consideration per share paid generally pursuant to the Acquisition) plus if the merger consideration is greater than $36 per share, the aggregate merger consideration in excess of $36 per share (the "Equity Contribution"),

1 Acquisition and ownership structure to be conformed as appropriate.

(B) you intend to enter into senior secured credit facilities in an aggregate amount of $3,600,000,000 consisting of (i) a $1,000,000,000 senior secured revolving facility (the "Revolving Facility") and (ii) a $2,600,000,000 senior secured term loan B facility (the "Term Facility"; and together with the Revolving Facility, the "Facilities"), and

(C) simultaneously with the consummation of the Acquisition, you or the Company will (i) refinance all indebtedness under the Amended and Restated Credit and Guarantee Agreement dated as of April 25, 2006 among the Company, certain of its affiliates and the lenders and agents referred to therein (the "Existing Credit Agreement"), and (ii) either close a tender offer and consent solicitation for (with an amendment to remove all covenants and related defaults from) (the "Tender Offer") or, if no Tender Offer shall have been initiated or if such Tender Offer is not successfully closed (meaning that less than a majority in principal amount of the notes under the applicable indenture shall have been tendered and the requested consents shall not have been obtained), simultaneously issue an irrevocable notice of redemption in respect of, (x) the Indenture dated as of March 20, 2001 among the Company, the guarantors party thereto and The Bank of New York, as trustee (the "2008 Indenture"), and (y) the Indenture, dated as of May 15, 1999, among Lear Corporation, as issuer, the guarantors party thereto and The Bank of New York, as trustee (the "2009 Indenture") (the foregoing notices of redemption, the "Call Notices"; and the items in this clause (C), collectively, the "Refinancing").

The Acquisition, Equity Contribution, Facilities and Refinancing are collectively referred to herein as the "Transactions". Capitalized terms used but not defined herein have the meanings assigned to them in the Summary of Principal Terms and Conditions attached hereto as Exhibit A (the "Term Sheet"; this commitment letter, the Term Sheet and the Summary of Conditions Precedent attached hereto as Exhibit B, collectively, the "Commitment Letter").

BAS is pleased to advise you that it is willing to act as sole lead arranger and sole bookrunner for the Facilities (in such capacity, the "Lead Arranger"). Furthermore, Bank of America in consideration of the mutual agreements and undertakings of the parties hereto as set forth herein and the Fee Letter, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby irrevocably commits and agrees to provide 100% of the principal amount of the Facilities (in such capacity, the "Initial Lender") subject only to the conditions set forth on Exhibit B.

It is agreed that Bank of America will act as the sole and exclusive administrative agent (in such capacity, the "Administrative Agent") for the Facilities, and that BAS will act as the sole and exclusive lead arranger and bookrunner for the Facilities. The Commitment Parties will be responsible for preparing and negotiating definitive documentation for the Facilities, and the Commitment Parties, with your participation, will manage the syndication effort of forming the syndicate of lenders that will make the Facilities available. No additional agents, co-agents or arrangers will be appointed unless you and the Commitment Parties so agree.

The Borrower acknowledges and agrees that as Lead Arranger, BAS is not advising the Borrower or any of its affiliates (including the Company) as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and BAS shall have no responsibility or liability to the Borrower, the Company or any of their respective affiliates with respect thereto. Any review by BAS of the Borrower, the Company and its subsidiaries, the Transactions or other matters relating to the Transactions will be performed solely for the benefit of BAS and Bank of America and shall not be on behalf of the Borrower.

We intend to syndicate the Term Facilities to other financial institutions (together with Bank of America, the "Lenders") identified by us in consultation with you; *provided* that notwithstanding

Bank of America's right to syndicate the Facilities and receive commitments with respect thereto, Bank of America may not assign all or any portion of its commitment hereunder prior to the initial funding under the Facilities (the date of such funding, "Closing Date"). You agree actively to assist the Commitment Parties in forming any such syndicate and completing a timely syndication that is reasonably satisfactory to them and you, and to provide the Commitment Parties and the other Lenders, promptly upon request, with all information (the "Information Materials") reasonably deemed necessary by them to complete successfully the syndication. Your assistance with the Commitment Parties' syndication efforts shall include, without limitation, (a) your using commercially reasonable efforts to ensure that any syndication efforts benefit materially from your and the Sponsor's existing lending and investment banking relationships and the existing lending and investment banking relationships of the Company, (b) direct contact between senior management, representatives and advisors of you and the Sponsor, on the one hand, and the proposed Lenders, on the other hand, (and your using commercially reasonable efforts to ensure such contact between senior management, representatives and advisors of the Company, on the one hand, and the proposed Lenders, on the other hand), in all such cases at times mutually agreed upon, (c) your and the Sponsor's assistance (including the use of commercially reasonable efforts to cause the Company to assist) in the preparation of a customary Confidential Information Memorandum for the Facilities and other customary marketing materials to be used in connection with the syndications, including Projections (as defined below) for the Company and its subsidiaries through 2010 and all other information and Projections as we may reasonably request, (d) prior to the Closing Date, using your commercially reasonable efforts to procure ratings for the Facilities from each of Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's"), and a corporate rating for the Company from S&P and a corporate family rating for the Company from Moody's and (e) the hosting, with the Lead Arranger, of one or more conference calls with, or meetings of, prospective Lenders at times and locations mutually agreed upon. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter, neither your (nor the Company's) compliance with the terms of this paragraph or with the following three paragraphs, the commencement or the completion of the syndication of the Facilities or the obtaining the ratings referred to above, shall constitute a condition to the availability of the Facilities on the Closing Date or otherwise limit the obligations of the Commitment Parties hereunder.

The Lead Arranger will, in consultation with you, manage all aspects of any syndication, including decisions as to the selection of institutions reasonably acceptable to you to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the Lead Arranger in its syndication efforts, you agree to use commercially reasonable efforts to prepare and provide (and to use commercially reasonable efforts to cause the Sponsor and the Company to provide) to us all customary information with respect to you, the Company and each of your and their respective subsidiaries and the Transactions, including all financial information and consolidated projections (including models, financial estimates, forecasts and other forward-looking information, all in detail, including model information and supporting assumptions; the "Projections"), as the Lead Arranger may reasonably request in connection with the structuring, arrangement and syndication of the Facilities.

You hereby represent and warrant that, to your actual knowledge, (a) all written information and written data other than the Projections and information of a general economic or general industry nature (the "Information") that has been or will be made available to any Commitment Party by or on behalf of you or any of your representatives or the Company or any of its representatives, taken as a whole, is or will be, when furnished and when taken as a whole, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made, taken as a whole and (b) the Projections that have been or will be made available to any Commitment Party by or on behalf of you or any of your representatives or affiliates have been, or will be, prepared in good faith based upon assumptions that are believed by you to be reasonable at the time so made available; it being understood that the Projections are as to future events and are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. If at any time prior to the Closing Date, you become aware that any of the representations and warranties in the preceding sentence would be, to your actual knowledge, incorrect in any material respect, you agree to supplement the Information and the Projections from time to time until the Closing Date such that, to your actual knowledge, the representations and warranties in the preceding sentence remain true in all material respects. In arranging and syndicating the Facilities, each of the Commitment Parties will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof.

You hereby acknowledge that (a) the Lead Arranger will make available Information, Projections and other marketing material and presentations, including confidential information memoranda (collectively, the "Information Materials") to the proposed syndicate of Lenders by posting the Information Materials on Intralinks, SyndTrak Online or by similar electronic means (with any material that you identify as material non-public information provided subject to customary confidentiality precautions) and (b) certain of the Lenders may be "public side" Lenders (*i.e.*, Lenders that do not wish to receive material non-public information with respect to the Borrower, the Company or their securities ("MNPI") (each, a "Public Lender"; and such other Lenders, "Private Lenders")). If reasonably requested by the Lead Arranger, you agree to use commercially reasonable efforts to assist (and to use commercially reasonable efforts to cause the Sponsor and the Company to assist) us in preparing an additional version of the confidential information memorandum that does not contain MNPI to be used by Public Lenders (the "Public Information Materials"). The Borrower hereby authorizes the Lead Arranger to distribute (i) administrative materials for prospective Lenders such as lender meeting invitations and funding and closing memoranda, (b) notifications of changes to the Facilities' terms and (c) other materials intended for prospective Lenders after the initial distribution of the Information Materials. Before distribution of any Information Materials (A) to prospective Private Lenders, you shall provide us with a customary letter authorizing the dissemination of the Information Materials and (B) to prospective Public Lenders, you shall provide us with a customary letter authorizing the dissemination of the Public Information Materials and confirming the absence of MNPI therefrom. In addition, at our request, you shall identify Public Information Materials by clearly and conspicuously marking the same as "PUBLIC".

As consideration for the commitments of the Initial Lender hereunder and for the agreement of the Lead Arranger to perform the services described herein, you agree to pay (or cause to be paid) to the Initial Lender, when due, the fees set forth in the Term Sheet and in the Fee Letter dated the date hereof and delivered herewith with respect to the Facilities (the "Fee Letter"). Once paid, such fees shall not be refundable under any circumstances, except as otherwise contemplated by the Fee Letter.

You agree (a) to indemnify and hold harmless each Commitment Party, its affiliates and its or their officers, directors, employees, agents and controlling persons (each, an "Indemnified Person") from and against any and all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses, joint or several, to which any such Indemnified Person may become subject arising out of or in connection with this Commitment Letter (including the Term Sheet), the Fee Letter, the Transactions, the Facilities or any claim, litigation, investigation or proceeding relating to any of the foregoing (any of the foregoing, a "Proceeding"), regardless of whether any such Indemnified Person is a party thereto, and to reimburse each such Indemnified Person upon demand for any reasonable and documented out-of-pocket legal expenses of counsel or other reasonable and documented out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they are determined by a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of, or failure to provide funding of the Facilities hereunder in accordance with the terms of this Commitment Letter or other material breach of its obligations hereunder by, such Indemnified Person or any of its controlled affiliates or any of its or their officers, directors, employees, agents or controlling persons and (b) if the Closing Date occurs, to reimburse each Commitment Party from time to time for all reasonable and documented out-of-pocket expenses (including but not limited to expenses of each Commitment Party's due diligence investigation, consultants' fees (to the extent any such consultant has been retained with your prior written consent), syndication expenses, travel expenses and reasonable and documented fees, disbursements and other charges of counsel), in each case incurred in connection with the Facilities and the preparation of this Commitment Letter, the Fee Letter, the Facility Documents and any security arrangements in connection therewith (collectively, the "Expenses"). Notwithstanding any other provision of this Commitment Letter, no Indemnified Person shall be liable for (i) any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct, bad faith or gross negligence of any Indemnified Person or any of its affiliates or its or their officers, directors, employees, agents or controlling persons or (ii) any indirect, special, punitive or consequential damages in connection with its activities related to the Facilities.

You shall not be liable for any settlement of any Proceeding effected without your consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final non-appealable judgment for the plaintiff in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the preceding paragraph. You may, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, if such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. None of the Commitment Parties or their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by them or their affiliates of services for other persons, and none of the Commitment Parties or their affiliates will furnish any such information to other persons. You also acknowledge that none of the Commitment Parties or their affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

This Commitment Letter and the commitments hereunder shall not be assignable by you without the prior written consent (not to be unreasonably withheld or delayed) of the Lead Arranger (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto (and Holdings, the Sponsor and the Indemnified Persons) and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Holdings, the Sponsor and the Indemnified Persons). Any and all obligations of, and services to be provided by, the Commitment Parties hereunder (including, without limitation, its commitments) may be performed and any and all rights of the Commitment Parties hereunder may be exercised by or through any of their affiliates or branches. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or other electronic transmission (e.g., a "pdf" or "tif") shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and, together with the Fee Letter dated the date hereof, supersedes all prior understandings, whether written or oral, among us with respect to the Facilities and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto irrevocably and unconditionally submits to the non-exclusive jurisdiction of any state or Federal court sitting in the City of New York over any suit, action or proceeding arising out of or relating to the Transactions or the other transactions contemplated hereby, this Commitment Letter, the Term Sheet, the other exhibits hereto or the Fee Letter or the performance of services hereunder or thereunder. Each of the parties hereto agrees that service of any process, summons, notice or document by registered mail addressed to you or us shall be effective service of process for any suit, action or proceeding brought in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in any inconvenient forum.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act"), each of us and each of the Lenders may be required to obtain, verify and record information that identifies you and the Company, which information may include your and their names and addresses and other information that will allow each of us and the Lenders to identify you or the Company in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for each of us and the Lenders.

You agree that you will not disclose, directly or indirectly, (x) the Fee Letter and the contents thereof or (y) prior to your execution and delivery of this Commitment Letter, the Commitment Letter, the Term Sheet, the other exhibits and attachments hereto and the contents of each thereof, or the activities of any Commitment Party pursuant hereto or thereto, to any person without prior written approval of the Lead Arranger, except that you may disclose (a) the Commitment Letter, the Term Sheet, the other exhibits hereto, the Fee Letter and the contents hereof and thereof (i) to the Sponsor and to your and any of the Sponsor's officers, directors, agents, employees, attorneys, accountants and advisors directly involved in the consideration of this matter on a confidential and need-to-know basis and (ii) pursuant to the order of any court or administrative agency in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process based on the advice of your legal counsel (in which case you agree, to the extent permitted by law, to inform us promptly thereof prior to disclosure), (b) this Commitment Letter, the Term Sheet, the other exhibits hereto and the contents hereof and thereof to the Company and to its direct and indirect equity holders, officers, directors, employees, attorneys, accountants and advisors, in each case in connection with the

Transactions and on a confidential and need-to-know basis, (c) the existence and contents of the Term Sheet to any rating agency in connection with the Transactions and (d) to the extent required by applicable law, the existence and contents of this Commitment Letter, the Term Sheet and the other attachments hereto in any public filing or prospectus in connection with the Transactions; *provided* that the foregoing restrictions shall cease to apply (except in respect of the Fee Letter and the contents thereof) after the Facility Documents shall have been executed and delivered by the parties thereto.

The Commitment Parties and their affiliates will use all confidential information provided to them or such affiliates by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter and shall keep confidential (and not disclose) all such information; *provided* that nothing herein shall prevent the Commitment Parties from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case the Commitment Parties, to the extent permitted by law, agree to inform you promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their affiliates (in which case the Commitment Parties agree, to the extent permitted by law, to inform you promptly thereof prior to disclosure), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by the Commitment Parties or any of their affiliates or related parties in violation hereof, (d) to the extent that such information is received by the Commitment Parties from a third party that is not, to the Commitment Parties' knowledge, subject to confidentiality obligations owing to you, (e) to the extent that such information is independently developed by the Commitment Parties, (f) to any Commitment Party's affiliates and its and their respective employees, legal counsel, independent auditors and other experts or agents who need to know such information in connection with the Transactions and are informed of the confidential nature of such information and who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph) (with each such Commitment Party responsible for such person's compliance with this paragraph) or (g) to potential and prospective Lenders, participants or assignees and to any direct or indirect contractual counterparties to any swap or derivative transaction relating to the Borrower or any of its subsidiaries, in each case who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph). The Commitment Parties' obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the definitive documentation relating to the Facilities upon the initial funding thereunder.

You and your affiliates further acknowledge and agree that in connection with all aspects of the Transactions and the transactions contemplated by this Commitment Letter, you and your affiliates, on the one hand, and the Lead Arranger, on the other hand, have an arm's length business relationship that creates no fiduciary duty on the part of the Lead Arranger and each expressly disclaims any fiduciary relationship.

The compensation, reimbursement, indemnification, jurisdiction and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether Facility Documents shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the Initial Lender's commitments hereunder; *provided* that your obligations under this Commitment Letter, other than those relating to confidentiality and to the syndication of the Facilities (which shall remain in full force and effect), shall automatically terminate upon the occurrence of the Closing Date.

It is understood and agreed that you shall in no way be deemed obligated to proceed with the closing of the Transaction or the Facilities or pay any fees in case you do not proceed with the Facilities (which you are free to determine in your sole discretion). For the avoidance of doubt, the foregoing shall not limit (i) any obligations you might otherwise have under the third paragraph (commencing with the words “You also agree”) and the fourth paragraph (commencing with the words “In the event that”) of the Fee Letter, or (ii) the provisions of the immediately preceding paragraph.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to Bank of America on behalf of the Commitment Parties executed counterparts hereof and of the Fee Letter not later than 5:00 p.m., New York City time, on February 9, 2007. Bank of America’s commitment hereunder will expire at such time in the event that Bank of America has not received such executed counterparts in accordance with the immediately preceding sentence. In the event that the initial borrowing in respect of the Facilities does not occur on or before September 30, 2007 then this Commitment Letter and the commitments and undertakings of each of the Commitment Parties hereunder shall automatically terminate.

We look forward to working with you on this transaction.

Very truly yours,

BANK OF AMERICA, N.A.

By: ______________________________

Name:

Title:

BANC OF AMERICA SECURITIES LLC

By: ______________________________

Name:

Title:

Accepted and agreed to as of
the date first above written:

AREP CAR ACQUISITION CORP.

By: ______________________________
Name:
Title:

American Real Estate Holdings Limited Partnership (the "Sponsor") hereby absolutely and unconditionally guarantees, as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due of any and all of the obligations of AREP Car Acquisition Corp. under the indemnification provisions of this Commitment Letter and under the Fee Letter referred to herein, and agrees to perform such obligations upon demand of either Commitment Party (as defined above).

AMERICAN REAL ESTATE HOLDINGS
LIMITED PARTNERSHIP

By: AMERICAN PROPERTY INVESTORS,
INC., its general partner

By: ______________________________
Name:
Title:

EXHIBIT A

AREP CAR ACQUISITION CORP.

$3,600,000,000 SENIOR SECURED CREDIT FACILITIES

Summary of Terms and Conditions

February 8, 2007

PARTIES

Borrowers:	Initially, AREP Car Acquisition Corp.; and from and after the Acquisition and the merger contemplated thereby, the Company as the survivor thereof (the "US Borrower"). With respect to certain advances under the Revolving Facility (as defined below), the US Borrower may designate one or more subsidiaries as borrowers (collectively with the US Borrower, the "Borrowers").[2]
Guarantors:	The obligations of the US Borrower and any borrowing subsidiaries under the Facilities shall be guaranteed by those subsidiaries of the US Borrower that currently are required to guarantee the Existing Credit Facility (collectively, the "Subsidiary Guarantors"), as set forth in the Existing Credit Facility; provided, that additional subsidiaries of the US Borrower may be added from time to time in accordance with the provisions set forth in the Existing Credit Facility. The Subsidiary Guarantors and the Borrowers are collectively referred to as the "Loan Parties".
Sole Lead Arranger and Sole Bookrunner:	Banc of America Securities LLC (in such capacity, the "Arranger").
Administrative Agent:	Bank of America, N.A. ("Bank of America" and, in such capacity, the "Administrative Agent").
Lenders:	A syndicate of banks, financial institutions and other entities, including Bank of America, arranged by the Lead Arranger (collectively, the "Lenders").

2 A portion of the Revolving Facility will be available to foreign subsidiaries in the manner provided in the Existing Credit Agreement. In addition, Bank of America will, upon the reasonable request of the US Borrower, cooperate to try to make a portion of the Term Facility available to one or more of the US Borrower's foreign subsidiaries (in US Dollars, Euro, or other freely available currencies), and provided in any event that the US Borrower and Subsidiary Guarantors remain guarantors with respect thereto,.

TYPES AND AMOUNTS OF FACILITIES

Term Facility

Type and Amount:	A seven-year term loan facility (the "Term Facility"; the loans thereunder, the "Term Loans") in the aggregate amount of $2,600,000,000. The Term Loans will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the Term Loans with the balance payable on the seventh anniversary of the Closing Date.
Availability:	The Term Loans shall be made in a single drawing on the Closing Date (as defined below).
Purpose:	The proceeds of the Term Loans shall be used to finance a portion of the Transaction.

Revolving Facility

Type and Amount:	A five-year revolving facility (the "Revolving Facility"; the commitments thereunder, the "Revolving Commitments") in the amount of $1,000,000,000 or the US Dollar equivalent thereof (the loans thereunder, together with (unless the context otherwise requires) the Swingline Loans referred to below, the "Revolving Loans"; and together with the Term Loans, the "Loans").
Currencies; Subfacilities:	The Revolving Facility shall be funded in US Dollars, Canadian Dollars and other Available Foreign Currencies (as defined in the Existing Credit Agreement), with sublimits and subfacilities consistent with those contained in the Existing Credit Agreement.
Availability:	The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the date that is five years after the Closing Date (the "Revolving Termination Date").
Maturity:	The Revolving Termination Date.
Letters of Credit:	A portion of the Revolving Facility of up to $400,000,000 shall be available for the issuance of letters of credit and, subject to a limit to be agreed and outside of the United States, bank guarantees (collectively, the "Letters of Credit") by Bank of America and certain other Lenders to be approved (each, in such capacity, an "Issuing Lender"). No Letter of Credit shall have an expiration date after the fifth business day prior to the Revolving Termination Date and no more than an aggregate of $100,000,000 of Letters of Credit shall at any time have a duration of longer than one year, provided that any Letter of Credit with a one-year tenor may provide for the renewal

	thereof for additional one-year periods (which shall in no event extend beyond such fifth business day prior to the Termination Date).
	Drawings under any Letter of Credit shall be reimbursed by the relevant Borrower (whether with its own funds or with the proceeds of Revolving Loans) on the same business day (or on the next business day if notice of such drawing is received after 10:00 a.m.). To the extent that the relevant Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to fund participations in the reimbursement obligations on a pro rata basis.
Swingline Loans:	Up to $300,000,000 of the Revolving Facility shall be available for swingline loans (the "Swingline Loans") in the form of either US dollar loans or multicurrency loans, from Bank of America (but subject to an aggregate sublimit of $150,000,000) and one or more Lenders as additional swingline lenders selected by the Borrower in consultation with the Administrative Agent, and otherwise substantially as provided in the Existing Credit Agreement.
	Any Swingline Loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility shall be unconditionally and irrevocably required to purchase, under certain circumstances, a pro rata participation in each Swingline Loan.
Purpose:	The proceeds of the Revolving Loans shall be used to finance (a) a portion of the Transaction and (b) the working capital needs and general corporate purposes of the US Borrower and its subsidiaries.
CERTAIN PAYMENT PROVISIONS	
Fees and Interest Rates:	As set forth on Annex I.
Optional Prepayments and Commitment Reductions:	Loans may be prepaid and commitments may be reduced by the US Borrower in minimum amounts as set forth in the Existing Credit Agreement. Optional prepayments of the Term Loans shall be applied to installments thereof as directed by the US Borrower. Optional prepayments of the Term Loans may not be reborrowed.
Mandatory Prepayments:	The following amounts shall be applied to prepay the Term Loans: (a) 100% of the net cash proceeds of any incurrence of indebtedness (other than permitted indebtedness and any Receivables Financing Transaction, as defined in the

Existing Credit Facility) after the Closing Date by the US Borrower or any of its subsidiaries.

(b) 100% of the net cash proceeds of any sale or other disposition (including as a result of casualty or condemnation) by the US Borrower or any of its subsidiaries of any assets, except for the sale of inventory and subject to certain other customary exceptions to be agreed upon including (i) capacity for reinvestment consistent with that provided in the Existing Credit Agreement, (ii) the sale of the interiors business and (iii) other sales of up to an aggregate amount to be agreed per fiscal year.

Mandatory prepayments of the Term Loans may not be reborrowed. Mandatory prepayments of the Term Loans shall be applied to remaining installments ratably.

COLLATERAL	The obligations of each Loan Party in respect of the Facilities and any swap agreements provided by any Lender (or any affiliate of a Lender) shall be secured (by a perfected first priority security interest) (a) by the capital stock of the US Borrower's subsidiaries required to be pledged under the Existing Credit Facility, including (i) 100% of the non-voting stock and 65% of the voting stock of all first-tier foreign subsidiaries of the US Borrower and its domestic subsidiaries, with exceptions to be agreed upon for first-tier foreign subsidiaries having de minimis value, (ii) the capital stock of Lear ASC Corporation, the wholly-owned, bankruptcy-remote, special purpose subsidiary of the US Borrower and (iii) other domestic subsidiaries and, on a limited basis, foreign subsidiaries of the US Borrower to be agreed upon; and (b) by a perfected first priority security interest in all of the inventory, equipment, intellectual property, general intangibles, intercompany notes and other assets (other than real property and receivables subject to a securitization program) of the US Borrower and its domestic subsidiaries (the collateral referred to in this clause (b), collectively, the "Additional Collateral"), and proceeds of the foregoing, except for those assets as to which the Administrative Agent shall reasonably determine that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby; provided, that notwithstanding anything to the contrary contained herein for so long as the Continuing Indentures remain in effect, the maximum principal amount of the obligations under the Facility Documents that is secured by the Collateral shall not at any time exceed the maximum amount that may be secured by the Collateral at such time without creating a requirement under Section 4.07 of each of the Continuing Indentures to cause the securities outstanding under any such Indenture to be equally and ratably secured by such Collateral (it being understood that such permitted amounts shall be recalculated upon the repayment of the bonds under any such Continuing Indenture or the amendment of such 4.07, including as provided for with respect to the 2008 Indenture and 2009 Indenture pursuant to the Tender Offer and Call Notice, each as defined in the Commitment Letter). For the avoidance of doubt, (a) "obligations" as used in the preceding sentence shall not apply to hedging agreement obligations and guarantees thereof and (b) the Bank of America understands that, among other exceptions, the general baskets set forth in Section 4.07 of each of the Continuing Indentures will be available to secure the obligations except to the extent such basket is utilized as permitted by Section 13.3(c) of the Existing Credit Facility. If the bonds issued under the Continuing Indentures are prepaid or redeemed in full (or the provisions of Section 4.07 thereof effectively eliminated pursuant to a consent solicitation or otherwise), the foregoing limitations shall cease.

As used herein, "Continuing Indentures" means collectively (a) the Indenture dated as of August 3, 2004 among the US Borrower, the guarantors party thereto and BNY Midwest Trust Company, as trustee (the "2014 Indenture"), (b) the Indenture dated as of November 24, 2006 among the US Borrower, the guarantors party thereto and The Bank of New York, as trustee, under which the US Borrower issued $300,000,000 of $8^{1}/_{2}$% Senior Notes due 2013 and $8^{3}/_{4}$% Senior Notes due 2016, (c) the Indenture dated as of February 20, 2002 among the Company, the guarantors party thereto and The Bank of New York, as trustee (the "2022 Indenture") and (d) the 2008 Indenture and 2009 Indenture (each as defined in the Commitment Letter).

CERTAIN CONDITIONS

Initial Conditions:	The availability of the Facilities shall be conditioned only upon the satisfaction of the conditions set forth in Exhibit B (the date upon which all such conditions precedent shall be satisfied, the "Closing Date").
On-Going Conditions:	The making of each extension of credit after the Closing Date shall be conditioned upon (a) the accuracy in all material respects of all representations and warranties in the documentation (the "Facility Documents") with respect to the Facilities (but excluding any material adverse change representation), and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit.

CERTAIN DOCUMENTATION MATTERS

The Facility Documents shall contain the representations, warranties, covenants and events of default (in each case, applicable to the US Borrower and its subsidiaries) set forth below as well as such other provisions from the Existing Credit Facilities as are applicable, in each case with such additions or changes, if any, as the parties hereto may agree, provided that in the absence of such agreement (which either party may grant or withhold in its sole discretion) the relevant provision of the Existing Credit Facility shall be adopted in the Facility Documents.

Representations and Warranties:	As set forth in the Existing Credit Facility.
Affirmative Covenants:	As set forth in the Existing Credit Facility.
Financial Covenants:	None for the Term Facility. The Revolving Facility shall include only the following

	financial covenants: (a) Minimum Interest Coverage Ratio: Not permit, on the last day of any fiscal quarter set forth below, the Interest Coverage Ratio (as defined in Annex II) for the four consecutive fiscal quarters of the U.S. Borrower ending with such quarter to be less than the amount set forth opposite such quarter below: -Q2 2007 through Q2 2008: 2.00:1 -Q3 2008 through Q2 2009: 2.125:1 -Q3 2009 through Q2 2010: 2.25:1 -Q3 2010 and thereafter: 2.50:1 (b) Maximum Leverage Ratio: Not permit the Leverage Ratio (as defined in Annex II) at the last day of any period of four consecutive fiscal quarters of the U.S. Borrower ending with any fiscal quarter set forth below to be greater than the amount set forth opposite such quarter below: -Q2 2007 through Q1 2008: 5.75:1 -Q2 2008 through Q3 2008: 5.50:1 -Q4 2008 through Q1 2009: 5.25:1 -Q2 2009 through Q3 2009: 5.00:1 -Q4 2009 through Q3 2010: 4.75:1 -Q4 2010 and thereafter: 4.50:1
Negative Covenants:	As set forth in the Existing Credit Facility, provided that those in Section 13.9 shall be deleted and replaced with the “Transactions with Affiliates” covenant described below. Without limitation of the foregoing, (a) the Company and its subsidiaries shall be permitted to amend the provisions allowing the existing asset-backed receivables facility and foreign accounts receivable factoring program (or any replacement or refinancing) not to exceed in aggregate $750,000,000, (b) the limitation on subsidiary indebtedness shall provide for the exclusion of certain non-recourse joint venture debt to be agreed and undrawn letters of credit from the basket of 4% of consolidated assets, (c) the limitation on disposition of property shall permit the sale of the Interiors Business substantially on the terms heretofore agreed by the Company and its subsidiaries pursuant to existing agreements now awaiting closing or otherwise at fair market value and (d) Restricted Payments (as defined in the Existing Credit Facility) shall be permitted (subject to the provisions of the Existing Credit Facility) in an annual amount of $20 million *plus* 50% of annual consolidated net income from and after 2008 *plus* 100% of net cash proceeds of equity issuances (excluding Specified Equity Contributions, as defined in Annex II hereto) after the Closing Date *plus* amounts required to be expended to make mandatory purchases of capital stock pursuant to employee benefit plans.

	The negative covenants will also include a "Transactions with Affiliates" covenant providing that the Company will not (with exceptions to be agreed) enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (as defined) (other than the Company or any Subsidiary Guarantor) unless such transaction is (i) otherwise not prohibited under the Facility Documents and (ii) upon fair and reasonable terms no less favorable to the Company or such subsidiary than it would obtain in a comparable arm's length transaction with a person that is not an Affiliate (or, if such transaction would not by its nature be obtainable from a person that is not an Affiliate, on fair and reasonable terms).
Events of Default:	As set forth in the Existing Credit Facility.
Voting:	As set forth in the Existing Credit Facility.
	The Facility Documents shall contain customary provisions for replacing non-consenting Lenders in connection with amendments and waivers requiring the consent of all Lenders or of all Lenders directly affected thereby so long as Lenders holding at least 51% of the aggregate amount of Term Loans and Revolving Commitments shall have consented thereto.
Assignments and Participations:	As set forth in the Existing Credit Facility.
Yield Protection:	The Facility Documents shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes, (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto and (c) replacing Lenders making claims for increased costs or loss of yield.
Expenses and Indemnification:	The US Borrower shall pay (a) all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Lead Arranger associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Facility Documents and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of one counsel (and such other local and foreign local counsel as shall be reasonably required)) and (b) all out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Facility

	Documents.
	The Administrative Agent, the Lead Arranger and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent resulting from the gross negligence or willful misconduct of the indemnified party).
Governing Law and Forum:	State of New York.
Counsel to the Administrative Agent and the Lead Arranger:	Davis Polk & Wardwell.

Annex I
to Exhibit A

INTEREST AND CERTAIN FEES

Interest Rate Options:	The relevant Borrower may elect that the Loans comprising each borrowing bear interest at a rate per annum equal to (a) the ABR plus the Applicable Margin or (b) the Eurodollar Rate[3] plus the Applicable Margin, except that Swingline Loans shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin unless the Borrower and relevant Swingline Lender shall agree, from time to time, that any such Loans shall bear interest at a "Money Market" basis or Eurodollar-based rate plus an agreed margin, all substantially as provided in the Existing Credit Agreement. As used herein: "ABR" means the highest of (i) the rate of interest publicly announced by Bank of America as its prime rate in effect at its principal office in New York City (the "Prime Rate"), (ii) the secondary market rate for three-month certificates of deposit (adjusted for statutory reserve requirements) plus 1%, and (iii) the federal funds effective rate from time to time plus 0.5%. "Applicable Margin" means: (a) with respect to Revolving Loans (including Swingline Loans), (i) 1.50% in the case of Eurodollar Loans and (ii) 0.50% in the case of ABR Loans (it being understood that the 0.50% Facility Fee referred to below, payable at all times without regard to usage, is incremental to the foregoing) and (b) with respect to Term Loans (i) 2.25%, in the case of Eurodollar Loans and (ii) 1.25%, in the case of ABR Loans. "Eurodollar Rate" means the rate (adjusted for any statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three or six (or, if available to all Lenders, nine or twelve) months (as selected by the Borrower) appearing on Page 3750 of the Telerate screen.
Interest Payment Dates:	In the case of Loans bearing interest based upon the ABR ("ABR Loans"), quarterly in arrears.

3 Canadian Dollar and Available Foreign Currency pricing to be discussed.

	In the case of Loans bearing interest based upon the Eurodollar Rate ("Eurodollar Loans") on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.
Facility Fees:	The US Borrower shall pay a facility fee calculated at a rate per annum equal to 0.50% on the amount of commitments, whether or not drawn, of the Revolving Facility, payable quarterly in arrears.
Letter of Credit Fees:	The US Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the Lenders participating in the Revolving Facility and shall be payable quarterly in arrears.
	A fronting fee equal to 0.125% per annum on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.
Default Rate:	At any time when any Borrower is in default in the payment of any amount of principal due under the Facilities, all outstanding Loans shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR Loans.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

FINANCIAL COVENANT DEFINITIONS[4]

"Consolidated EBITDA": for any fiscal period, Consolidated Net Income for such period excluding (a) extraordinary gains and losses arising from the sale of material assets and other extraordinary and/or non-recurring gains and losses, (b) charges, premiums and expenses associated with the discharge of Indebtedness, (c) charges relating to FAS 106, (d) any non-cash deductions made in determining Consolidated Net Income for such period (other than any deductions which represent the accrual of or a reserve for the payment of cash charges in any future period), provided that cash payments made in any subsequent period in respect of any item for which any such non-cash deduction was excluded in a prior period shall be deemed to reduce Consolidated Net Income by such amount in such subsequent period, (e) license fees (and any write-offs thereof), (f) stock compensation expense and non-cash equity linked expense, (g) deferred financing fees (and any write-offs thereof), (h) write-offs of goodwill, (i) foreign exchange gains and losses, (j) miscellaneous income and expenses, (k) costs and expenses of the Transactions and (l) miscellaneous gains and losses arising from the sale of assets plus, to the extent deducted in determining Consolidated Net Income, the excess of (i) the sum of (A) Consolidated Interest Expense, (B) any expenses for taxes, (C) depreciation and amortization expense and (D) minority interests in income of Subsidiaries over (ii) net equity earnings in Affiliates (excluding Subsidiaries). Consolidated EBITDA for any fiscal period shall be determined pro forma for any entity acquired or disposed of (and the Interiors Business shall be deemed to be disposed of for so long as the existing disposition is pending) by the U.S. Borrower or any of its Subsidiaries during such period, and any related incurrences of or prepayments of Indebtedness, as though such events had occurred on the first day of such period. It is hereby understood and agreed that (i) restructuring, restructuring-related or other similar charges incurred by the U.S. Borrower and its Subsidiaries in an amount not to exceed $65,000,000 in the aggregate for the third and fourth quarters of fiscal year 2006, $150,000,000 in each of 2007 and 2008, $100,000,000 in 2009 and $50,000,000 in each of 2010 and 2011 (no separate baskets thereafter), with unused amounts in any year to be carried forward to subsequent years and (ii) charges incurred by the U.S. Borrower and its Subsidiaries in connection with (x) the lawsuit by Seton Company (for which a jury verdict was reached on May 25, 2005) in an amount not to exceed $22,000,000 and (y) a lawsuit by one of the U.S. Borrower's European suppliers in an amount not to exceed $8,000,000, shall in each case be deemed to be non-recurring losses for purposes of calculating Consolidated EBITDA; provided, that with respect to the charges referred to in clause (ii) above, if at any later date all or a portion of such charges are reversed, Consolidated EBITDA shall be reduced by the amount by which such charges are reversed in the fiscal quarter in which such charges are reversed. For purposes of determining compliance with the financial covenants, any cash common equity contribution made to the US Borrower after the Closing Date and on or prior to the day that is 10 days after the day on which financial statements are required to be delivered for a fiscal quarter will, at the request of the US Borrower, be included in the calculation of Consolidated EBITDA for the purposes of determining compliance with financial covenants at the end of such fiscal quarter and applicable subsequent periods (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"), *provided* that (1) in each four fiscal quarter period, there shall be a period of at least two fiscal quarters in respect of which no Specified Equity Contribution is made, (2) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the US Borrower to be in compliance with the financial covenant and (3) all Specified Equity Contributions shall be disregarded for purposes of determining any baskets with respect to the covenants contained in the Facility Documents

4 Terms used in this Annex II but not defined in this Annex II or in Exhibit A shall have the meanings set forth for such terms in the Existing Credit Agreement.

"Consolidated Indebtedness": at a particular date (a) all Indebtedness of the U.S. Borrower and its Subsidiaries which would be included under indebtedness on a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at such date, determined in accordance with GAAP, less (b) any cash and Cash Equivalents of the U.S. Borrower and its Subsidiaries as at such date up to an aggregate principal amount not to exceed the sum of $700,000,000 plus, to the extent constituting cash and Cash Equivalents of the U.S. Borrower at such date, any amounts held in (or to the credit of) the Collateral Account and the 2008/2009 Collateral Account.

"Consolidated Interest Expense": for any fiscal period, the amount which would, in conformity with GAAP, be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the U.S. Borrower and its Subsidiaries for such period and, to the extent not otherwise included in "interest expense," any other discounts and expenses comparable to or in the nature of interest under any Receivable Financing Transaction; provided, that Consolidated Interest Expense for any period shall (a) exclude (i) fees payable in respect of such period under subsection 9.5 of this Agreement, (ii) any amortization or write-off of deferred financing fees during such period and (iii) premiums paid in connection with the discharge of Indebtedness and (b) include any interest income during such period.

"Interest Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Leverage Ratio": for any date of determination the ratio of (i) Consolidated Indebtedness on such date of determination to (ii) Consolidated EBITDA for the four consecutive fiscal quarters most recently ended on or prior to such date of determination; provided that, if at any time the aggregate amount of Indebtedness associated with Receivable Financing Transactions exceeds $500,000,000, an amount equal to the excess over $500,000,000 shall be included in the determination of "Consolidated Indebtedness".

EXHIBIT B

CONDITIONS PRECEDENT

The availability of the Facilities on the Closing Date shall be subject to the satisfaction of the following conditions precedent (capitalized terms used but not defined herein have the meanings given in the Commitment Letter or Exhibit A thereto, as applicable):

1. The Acquisition shall have been consummated, or substantially simultaneously with (including immediately after) the initial borrowing under the Facilities, shall be consummated, in all material respects in accordance with the terms of the Merger Agreement in the form delivered to the Lead Arranger on February 8, 2007, and no provision of the Merger Agreement shall have been waived (other than (A) the condition set forth in Section 6.2(d) and (B) the condition set forth in Section 6.2(a), but solely to the extent of a Subsequent Event Effect, as defined below) or amended by AcquisitionCo from the form referred to above in a manner that is material and adverse to the Lenders without the consent of the Lead Arranger.

2. Execution and delivery by AcquisitionCo and Holdings (with customary arrangements for assumption of obligations by the Company and its subsidiaries) of Facility Documents reasonably satisfactory to the Initial Lender and the Borrower (which each of the Initial Lender and Borrower agree to negotiate in good faith consistent with the terms of the Commitment Letter), and receipt of customary closing documents, including without limitation customary legal opinions by or on behalf of the Borrower, the Company and its subsidiaries by one or more of their counsel and customary certificate of AcquisitionCo or the Company by an officer thereof to the best of his or her knowledge regarding solvency of the Company and its subsidiaries on a consolidated basis.

3. The Equity Contribution shall have been made, or substantially simultaneously with the initial borrowing under the Facilities, which to the extent constituting other than common equity interests shall be on terms and conditions and pursuant to documentation reasonably satisfactory to the Lead Arranger.

4. On the Closing Date and substantially simultaneously with the borrowings under the Facility, (i) all indebtedness under the Existing Credit Agreement shall have been repaid in full and all liens on collateral securing the Existing Credit Agreement shall have been released (or arrangements for such release reasonably acceptable to the Lead Arranger shall have been made), all on terms and pursuant to documentation reasonably satisfactory to the Lead Arranger and (ii) either (A) the Tender Offer shall have been closed successfully (as described in the Commitment Letter) or (B) if no Tender Offer shall have been initiated or if such Tender Offer shall not have closed successfully, the Lead Arranger shall have received the Call Notices in form and substance sufficient to optionally redeem all indebtedness under the 2008 Indenture and the 2009 Indenture in the shortest periods permitted by such indentures.

5. The Lead Arranger shall have received (i) audited consolidated balance sheets and related statements of income, stockholders’ equity and cash flows of the Company for the fiscal year ended December 31, 2006, (ii) unaudited consolidated balance sheets and related statements of income, stockholders’ equity and cash flows of the Company for each subsequent fiscal quarter ended at least 45 days before the Closing Date, (iii) a pro forma unaudited consolidated balance sheet and related pro forma unaudited consolidated statement of income of the Borrower as of and for the fiscal year ended December 31, 2006 and for any fiscal quarter referred to in clause (ii) above, in each case prepared after giving effect to the Transactions as if the Transactions had occurred as of such date or

at the beginning of such period, as applicable and (iv) Projections for the Company for the years 2007 through 2010.

6. The satisfaction of the Lead Arranger that, from the date of the Commitment Letter and during the syndication of the Facilities, there shall be no competing issues of debt securities or commercial bank or other credit facilities of the Borrower, the Company or any of the Company's subsidiaries being offered, placed or arranged, provided that the foregoing shall not prohibit (x) offerings, placements or arrangements by or on behalf of competing bidders, with or without the Company's cooperation, provided that the Company and its subsidiaries shall not cooperate with any such offerings, placements or arrangements except as provided for in or contemplated by Section 5.2 of the Merger Agreement and (y) the replacement or refinancing of the facilities designated in clause (a) of "Negative Covenants" on Exhibit A of the Commitment Letter.

7. All fees and expenses required to be paid to the Commitment Parties and their affiliates pursuant to the terms of the Commitment Letter and under the Fee Letter and invoiced before the Closing Date shall have been paid in full.

8. Subject to the last paragraph of this Exhibit B, all documents and instruments required to perfect the Administrative Agent's security interest in the Collateral shall have been executed and delivered and, if applicable, be in proper form for filing, and none of the Collateral shall be subject to any other pledges, security interest or mortgages, except for the liens permitted under the Facility Documents.

9. Subject to the last paragraph of this Exhibit B, the accuracy in all material respects of all representations and warranties in the Facility Documents, and there being no default or event of default in existence at the time of, or after giving effect to the making of, the extensions of credit on the Closing Date.

Notwithstanding anything contained herein to the contrary, (a) the only representations (and consequential defaults) relating to the Company, its subsidiaries and their businesses the making of which shall be a condition to availability of the Facilities on the Closing Date shall be (i) such of the representations made by the Company in the Merger Agreement as are material to the interests of the Lenders (but excluding any representation (or consequential default), on and as of the Closing Date (as defined in the Merger Agreement)), set forth in any of Sections 3.5(d) or (e), 3.6, 3.9 through 3.18, 3.23, 3.25 or 3.26, to the extent that such failure to be true and correct (or consequential default) is solely as a result of any event, change, effect, development, condition or occurrence after the date of the Merger Agreement (a "Subsequent Event Effect")), but only to the extent that you have the right to terminate your obligations under the Merger Agreement as a result of a breach of such representations in the Merger Agreement and (ii) the Specified Representations (as defined below) shall be true and correct in all material respects and (b) the terms of the Facility Documents shall be in a form such that they do not impair availability of the Facilities on the Closing Date if the conditions set forth in this Exhibit B are satisfied (it being understood that, to the extent any security interest in any Collateral (other than the pledge and perfection of the security interests (A) in the capital stock of domestic subsidiaries of the Borrower required to be pledged and (B) in other assets with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code) is not provided and/or perfected on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the granting and/or perfection of a security interest in such Collateral shall not constitute a condition precedent to the availability of the Facilities on the Closing Date but shall be required to be delivered after the Closing Date pursuant to arrangements and timing to be mutually agreed). For purposes hereof, "Specified Representations" means the representations and warranties of the Borrower set forth in the Term Sheet next to the caption "Representations and Warranties" relating to corporate existence, power and authority, the enforceability and non-contravention of the Facility Documents, Federal Reserve margin regulations and the Investment Company Act. If employees of the Commitment Parties obtain actual knowledge of facts in the course of the performance of their responsibilities related to the Facilities (and are not subject to a duty of confidentiality that precludes their sharing such information with senior officers of Bank of America responsible for the Facilities) that cause senior officers of the Bank of America to determine that there has been a breach of a representation described in clause (a)(i) above such that it believes that a condition to Bank of America's commitment with respect to the Facilities will not be satisfied, Bank of America shall give reasonably prompt notice of such determination to AcquisitionCo so that AcquisitionCo may determine the existence of the alleged breach by arbitration with the Company pursuant to the Merger Agreement.

Exhibit (c)(2)

STRICTLY PRIVATE AND CONFIDENTIAL

PROJECT LONGBOW

Presentation to the Special Committee of the Board of Directors

JPMorgan

Summary of select transaction terms

Transaction summary

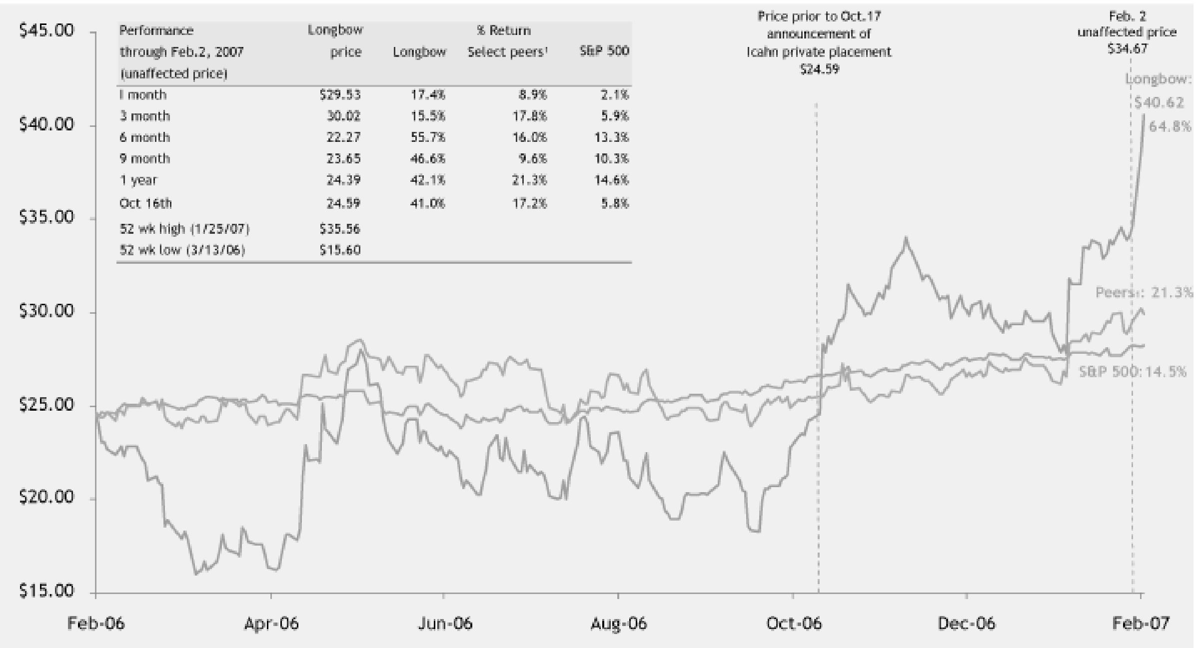
Term	Offer summary
Current offer price	$36.00 per share
Transaction value	$5,061mm (6.6x 2006A EBITDA)
Consideration	100% Cash
Structure	Merger of Longbow into a merger sub of AREP Car Holdings Corp.
Required approvals	HSR; Longbow shareholder approval
Termination fees	Topping fee within go-shop period: $79mm/2.9% of equity value (including up to $6mm in expenses) Topping fee outside go-shopperiod: $100mm/3.6% of equity value (including upto $15mm in expenses) Reverse break-up fee: $250mm/9.0% of equity value for failure to close other than as a result of a failure to receive financing. Available damages for a breach resulting from a failure to receive financing are limited to actual damages up toa cap of @25mm in excess of the amount recovered from financing sources.[1]
Go-shop period	45 days
Other considerations	Bank of America to provide committed financing to purchaser

[1] No indirect, special, punitive or consequential damages except to the extent recovered from financing sources

Additional detail to be provided by Company counsel

Longbow share price performance

1 year share price performance (indexed to Longbow)



Performance through Feb.2, 2007 (unaffected price)	Longbow price	% Return Longbow	% Return Select peers[1]	% Return S&P 500
1 month	$29.53	17.4%	8.9%	2.1%
3 month	30.02	15.5%	17.8%	5.9%
6 month	22.27	55.7%	16.0%	13.3%
9 month	23.65	46.6%	9.6%	10.3%
1 year	24.39	42.1%	21.3%	14.6%
Oct 16th	24.59	41.0%	17.2%	5.8%
52 wk high (1/25/07)	$35.56			
52 wk low (3/13/06)	$15.60			

Source: Powerdata as of 2/6/2007
Note: Indexed to Longbow share price
[1] Select peers index includes American Axle, ArvinMeritor, BorgWarner, Johnson Controls, Magna, Tenneco, TRW and Visteon

Summary financial projections:
Long range plan with current industry outlook

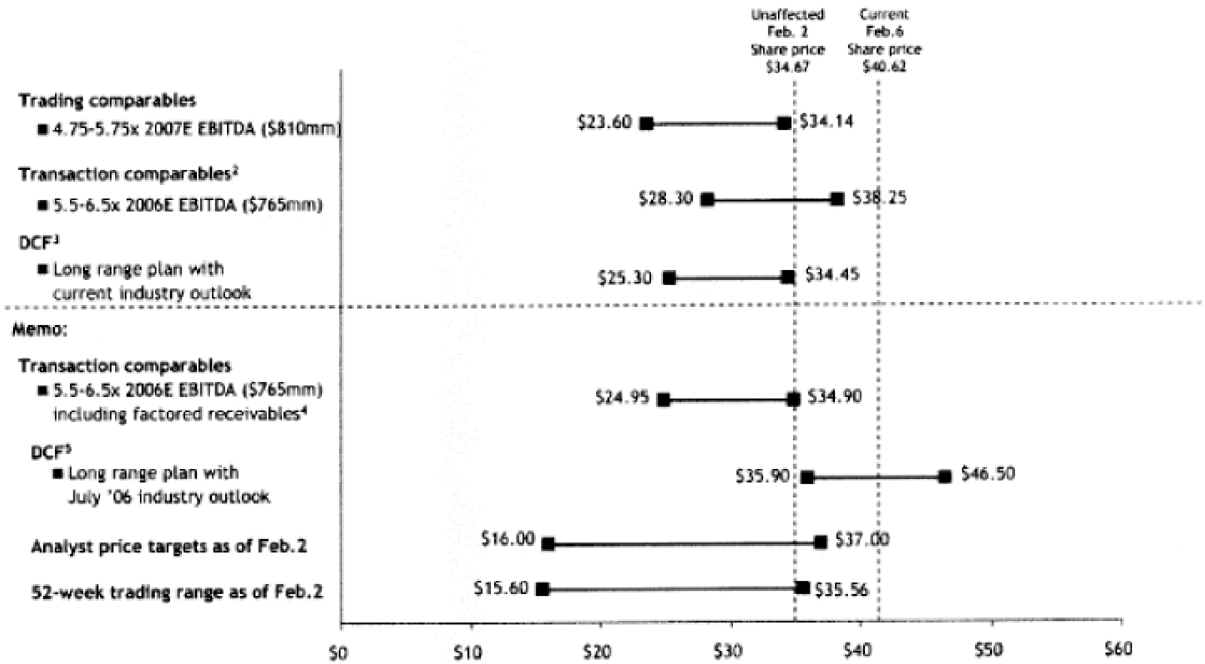
($ millions)

Consolidated	Historical			Management Projections			
	2004A	2005A	2006A	2007E	2008E	2009E	2010E
Sales	$16,960	$17,089	$17,839	$15,104	$13,933	$13,622	$13,860
% growth	*7.7%*	*0.8%*	*4.4%*	*(15.3%)*	*(7.8%)*	*(2.2%)*	*1.7%*
EBITDA	1,124	499	673	810	835	886	939
% margin	*6.6%*	*2.9%*	*3.8%*	*5.4%*	*6.0%*	*6.5%*	*6.8%*
EBIT	769	105	281	488	521	582	655
% margin	*4.5%*	*0.6%*	*1.6%*	*3.2%*	*3.7%*	*4.3%*	*4.7%*
EBITDA - capex	881	(69)	326	564	613	651	730
% sales	*5.2%*	*(0.4%)*	*1.8%*	*3.7%*	*4.4%*	*4.8%*	*5.3%*

Source: Company filings and management

Longbow implied valuation summary

Implied equity value per share[1]



[1] Based on updated basic shares outstanding of 76.3mm and options, stock appreciation rights and performance shares outstanding as of 12/31/2006; fully diluted shares using treasury stock method; excludes factored receivables

[2] 2006A EBITDA is pro forma for the divestiture of the Auto Interiors business segment; excludes factored receivables

[3] Based on management projections for the 2006-2010 period and extrapolation for the 2011-2016 period based on assumptions provided by management

[4] Net debt balance includes $256mm of factored receivables

[5] The Special Committee has advised JPMorgan that the July 2006 industry outlook is out of date and no longer represents management's or the Special Committee's current estimate of the company's future financial performance

DCF: Long range industry plan with current industry outlook

($ millions)

	Management forecast				Extrapolation						Terminal
	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	period
Sales	$15,104	$13,933	$13,622	$13,860	$13,999	$14,139	$14,280	$14,423	$14,567	$14,713	$14,860
% growth	--	*(7.8%)*	*(2.2%)*	*1.7%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
EBITDA	810	835	886	939	959	959	970	981	992	1,002	1,012
% margin	*5.4%*	*6.0%*	*6.5%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*
EBIT	488	521	582	655	672	681	689	698	707	714	721
Less: taxes	90	108	111	177	235	238	241	244	247	250	252
tax rate	*18.5%*	*20.6%*	*19.1%*	*27.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*
EBIAT	$398	$414	$471	$478	$437	$442	$448	$454	$459	$464	$468
Plus D&A	323	314	304	284	286	278	281	283	286	289	291
Less: Capex	(246)	(221)	(235)	(209)	(293)	(285)	(287)	(290)	(293)	(295)	(297)
Less: (Inc)/dec in NWI	(25)	17	(17)	(15)	(5)	(7)	(7)	(5)	(7)	0	0
Less: Other[1]	(131)	(60)	(29)	13	0	0	0	0	0	0	0
Less: Additional cash outflow[2]	(75)	(25)	(25)	(25)	0	0	0	0	0	0	0
Unlevered free cash flow	$243	$439	$468	$527	$425	$429	$434	$442	$446	$457	$463

Implied Firm Value

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$4,674	$4,800	$4,940
10.5%	$4,444	$4,553	$4,674
11.0%	$4,236	$4,331	$4,436

Implied Equity value[3]

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$2,383	$2,509	$2,649
10.5%	$2,153	$2,262	$2,383
11.0%	$1,945	$2,040	$2,145

Implied terminal EBITDA multiple

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	5.1x	5.4x	5.7x
10.5%	4.8x	5.1x	5.4x
11.0%	4.6x	4.9x	5.2x

Implied equity value per share[4]

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$31.00	$32.63	$34.45
10.5%	$28.00	$29.42	$30.99
11.0%	$25.29	$26.53	$27.90

Note: Based on management projections for the 2006-2010 period and extrapolation for the 2011-2016 period based on assumptions provided by management

[1] Other includes tooling & engineering, pension contributions and $120mm cash impact from Auto interiors business segment in 2007 as provided by management

[2] Includes $50mm in supplier support payments in 2007 and $25mm cash outflow each year from 2007 -2010 for investments in capacity reductions as provided by management

[3] Net debt of $2,291mm as of 12/31/2006; includes minority investment of $38mm and factored receivables of $256mm

[4] Based on updated basic shares outstanding of 76.3mm and options, stock appreciation rights and performance shares outstanding as of 12/31/2006; fully diluted shares using treasury stock method

Automotive supplier trading comparables

$ millions, except as noted; as of Feb. 2, 2007

	Share Price 2/02/07	% of 52-week high	Market Cap	Firm Value	Firm value/ 2007E Sales	Firm value/ 2008E Sales	Firm value/ 2007E EBITDA	Firm value/ 2008E EBITDA	Firm value/ 2007E EBIT	Firm value/ 2008E EBIT	Price per share/ 2007E EPS	Price per share/ 2008E EPS
North American suppliers												
American Axle	$22.35	97.9%	$1,184	$1,798	0.57x	0.56x	4.9x	4.3x	12.1x	9.0x	16.0x	10.4x
ArvinMeritor	19.23	95.4%	1,364	2,319	0.27	0.26	5.7	5.0	9.2	7.4	16.5	10.4
BorgWarner	69.26	98.8%	4,067	4,836	1.01	0.89	7.1	6.4	11.7	10.4	14.8	12.9
Commercial Vehicle Group	20.25	85.9%	438	579	0.78	0.61	7.9	5.1	10.1	6.0	15.0	8.1
Donaldson	35.51	91.1%	2,945	3,080	1.65	2.74	11.6	N/M	14.1	N/A	19.4	N/M
Eaton	78.62	98.3%	12,133	13,906	1.06	1.02	8.1	7.4	10.9	9.8	12.7	11.3
Gentex Corp	17.59	99.3%	2,537	2,204	3.52	3.17	12.5	11.0	15.3	13.2	22.0	19.3
Johnson Controls	94.85	99.9%	18,992	23,571	0.67	0.62	9.0	8.1	12.9	11.4	15.1	13.2
Magna International	78.81	94.6%	8,599	7,936	0.32	0.29	4.3	3.8	7.5	6.2	11.5	9.6
Modine	26.48	88.1%	872	1,038	0.58	0.54	6.9	6.4	13.0	11.4	15.8	14.9
Stoneridge	10.04	95.2%	239	392	0.62	0.55	6.3	5.7	11.2	9.7	25.7	15.9
Tenneco	24.26	88.1%	1,152	2,467	0.44	0.41	5.4	5.1	9.0	8.4	12.5	10.7
TRW Automotive	27.01	92.7%	2,835	5,611	0.42	0.41	4.7	4.6	8.3	8.0	12.3	10.8
Visteon	8.33	82.6%	1,092	2,684	0.23	0.22	4.2	5.9	14.5	N/M	N/M	N/M
Median					**0.60x**	**0.56x**	**6.6x**	**5.7x**	**11.4x**	**9.3x**	**15.1x**	**11.0x**
Median of select peers					**0.43x**	**0.41x**	**5.2x**	**5.0x**	**10.5x**	**8.4x**	**14.8x**	**10.7x**
Global Suppliers												
Autoliv	$61.54	99.3%	$5,032	$6,079	0.94x	0.89x	6.6x	5.9x	10.8x	9.6x	14.9x	13.1x
Brembo	9.40	94.7%	813	1,136	1.06	1.00	6.5	6.0	10.1	9.1	12.8	11.0
Continental	123.97	97.9%	18,200	19,661	1.20	1.14	7.2	6.7	10.9	9.9	16.0	14.4
Denso	38.40	94.3%	33,948	33,950	1.20	1.10	8.3	7.5	N/A	N/A	19.4	17.3
Elring Klinger	67.95	99.1%	1,305	1,803	2.57	N/A	10.3	N/A	14.8	N/A	24.6	N/A
Faurecia	53.52	94.1%	1,681	3,903	0.25	N/A	4.2	N/A	14.2	N/A	19.4	N/A
GKN	3.25	95.1%	4,484	5,256	0.68	N/A	6.0	N/A	9.4	N/A	12.3	N/A
Grammer	31.59	92.4%	332	339	0.35	N/A	4.5	N/A	7.1	N/A	10.6	N/A
SOGEFI	7.99	97.5%	924	1,340	0.98	0.96	6.2	6.1	9.0	8.9	12.7	12.1
Tomkins	5.42	80.3%	4,663	5,802	0.92	0.90	7.2	6.8	10.6	9.7	13.6	12.6
Trelleborg	24.36	90.7%	2,201	3,443	0.84	0.82	7.6	7.2	11.2	10.3	11.9	10.6
Valeo	46.13	97.7%	3,577	4,993	0.39	0.38	4.1	3.8	13.2	12.0	17.0	14.9
Median					**0.93x**	**0.93x**	**6.5x**	**6.4x**	**10.8x**	**9.7x**	**14.2x**	**12.9x**
Longbow (Equity research consensus)	**34.67**	**97.5%**	**$2,666**	**$4,701**	**0.28x**	**0.27x**	**5.4x**	**5.3x**	**8.4x**	**8.3x**	**16.2x**	**13.5x**
Longbow (Long range plan)	**34.67**	**97.5%**	**$2,666**	**$4,701**	**0.31x**	**0.34x**	**5.8x**	**5.6x**	**9.6x**	**9.0x**	**NA**	**NA**

Source: Company filings, equity research and Longbow management

JPMorgan

Automotive supplier transaction comparables

$ millions

Date	Acquirer	Target	Trans. Value ($mm)	FV/sales (x)	FV/EBIT (x)	FV/EBITDA (x)
Oct-18-06	Robert Bosch GMBH	Pacifica Group	$450	0.69x	12.0x	5.4x
Oct-11-06	Hitachi	Clarion	652	0.47	16.3	8.4
Sep-1-06	Asahi Tec	Metaldyne	1,210	0.64	27.4	6
Jun-1-06	Platinum Equity	Textron Fastening Systems	630	0.35	N/A	N/A
May-22-06	Red Diamond Capital	Avon Automotive	127	0.38	4.2	4.2
Apr-3-06	Continental AG	Motorola ACES	1,000	0.63	N/A	8.9
Jan-9-06	Bain Capital	TI (sensors and controls)	3,000	2.62	11.4	10.1
Dec-5-05	Cooper Standard	ITT (tubing)	205	0.48	9.3	4.6
Sep-23-05	Carlyle Group	AxleTech	350	1.40	N/A	9.0
Mar-30-05	JCI	Delphi's Battery Business	213	0.36	N/A	4.0
Jan-10-05	Valeo SA	JCI's Engine Electronics Divisions	434	0.94	12.7	9.5
Nov-01-04	BorgWarner	Beru	693	1.47	9.6	6.5
Oct-25-04	Magna International	Tesma International	570	0.81	7.9	5.5
Oct-25-04	Magna International	Decoma International	225	0.34	5.5	3.4
Sep-17-04	Cypress Group	Cooper-Standard	1,165	0.63	4.7	8.5
Jul-09-04	Cypress Group	Dana AAG	1,000	0.47	8.1	6.1
Jul-04	TH Lee	Progressive Moulded Products	530	1.40	N/A	7.0
Jul-05-04	Montagu Private Equity	Stabilus	505	1.10	N/A	6.4
Jun-23-04	Kohlberg Co LLC	Stanadyne	330	1.10	12.3	7.0
May-03-04	GS Capital Partners	Autocam	390	1.21	N/A	7.0
Mar-29-04	Continental	Phoenix AG	672	0.48	12.5	5.8
Sep-04-03	Vestar	FL Selenia (Doughty Hanson)	725	1.40	20.3	7.9
May-28-03	HG Capital	W.E.T. Automotive Systems	209	1.00	6.1	4.9
Apr-30-03	Tomkins PLC	Stackpole	229	1.24	10.9	6.2
Apr-29-03	The Carlyle Group	UIS	800	0.89	N/A	6.1
Apr-07-03	Rheinmetall AG	Kolbenschmidt Pierburg	342	0.36	8.5	3.1
Mar-14-03	Castle Harlan, Inc.	Advanced Accessory Systems	260	0.79	N/A	5.6
Nov-19-02	Blackstone Group	TRW Automotive	4,725	0.46	10.6	4.9
Nov-12-02	Carlyle Group	Edscha	519	0.58	7.8	4.9
Aug-12-02	CVC	Kwikfit	330	0.40	5.1	3.6
Aug-06-02	Johnson Controls	Varta Automotive Batteries	302	0.53	10.8	5.7
Aug-02-02	Questor/Investors	Teksid Aluminum SpA	481	0.56	N/A	6.8
Jun-25-02	Magna International	Donnelly Corp	411	0.49	25.5	8.9
Jun-20-02	Doughty Hanson	A.T.U.	1,030	1.11	13.9	10.5
Apr-18-02	Hitachi	Unisia Jecs	492	0.35	28.5	4.8
Jan-18-02	CSFB	Oxford Automotive	243	0.30	25.3	4.9
Median				**0.63x**	**10.8x**	**6.1x**

JPMorgan Source: Company filings, equity research and press releases

Longbow analysis at various prices

($mm, except per share data)

	Base data	Feb.2, 2007 Share price $34.67	Feb.6, 2007 Share price $40.62	Price per share $32.00	$34.00	$36.00	$38.00	$40.00
Prem/(disc) to current			-	(21.2%)	(16.3%)	(11.4%)	(6.5%)	(1.5%)
Prem/(disc) to Feb.2, 2007 (unaffected p	$34.67	0.00%	17.2%	(7.7%)	(1.9%)	3.8%	9.6%	15.4%
Prem/(disc) to 10/16/06 (pre Icahn stake	$24.59	41.0%	65.2%	30.1%	38.3%	46.4%	54.5%	62.7%
Prem/(disc) to 1-wk ago	$33.66	3.0%	20.7%	(4.9%)	1.0%	7.0%	12.9%	18.8%
Prem/(disc) to 1-month ago	$29.53	17.4%	37.6%	8.4%	15.1%	21.9%	28.7%	35.5%
Prem/(disc) to 52-wk high as of Feb.2, 20	$35.56	(2.5%)	14.2%	(10.0%)	(4.4%)	1.2%	6.9%	12.5%
Prem/(disc) to 52-wk VWAP Feb.2, 2007	$23.21	49.4%	75.0%	37.9%	46.5%	55.1%	63.7%	72.3%
Prem/(disc) to 52-wk low Feb.2, 2007	$15.60	122.2%	160.4%	105.1%	117.9%	130.8%	143.6%	156.4%
Equity value		$2,666	$3,138	$2,455	$2,613	$2,771	$2,930	$3,089
Net Debt + Minority Interest		2,035	2,035	2,035	2,035	2,035	2,035	2,035
Firm value		**$4,701**	**$5,173**	**$4,490**	**$4,648**	**$4,805**	**$4,964**	**$5,123**
Factored receivables		256	256	$256	$256	$256	$256	$256
Adj. Firm value		$4,957	$5,429	$4,746	$4,904	$5,061	$5,220	$5,379
FV/EBITDA	**EBITDA**							
2006A EBITDA	$765	6.1x	6.8x	5.9x	6.1x	6.3x	6.5x	6.7x
2007E EBITDA	$810	5.8x	6.4x	5.5x	5.7x	5.9x	6.1x	6.3x
2008E EBITDA	$835	5.6x	6.2x	5.4x	5.6x	5.8x	5.9x	6.1x
Adj. FV/EBITDA	**EBITDA**							
2006A EBITDA	$765	6.5x	7.1x	6.2x	6.4x	6.6x	6.8x	7.0x
2007E EBITDA	$810	6.1x	6.7x	5.9x	6.1x	6.2x	6.4x	6.6x
2008E EBITDA	$835	5.9x	6.5x	5.7x	5.9x	6.1x	6.3x	6.4x

JPMorgan

Source: Management, Powerdata

Note: Net debt of $2,035mm based on 12/31/06 balance sheet and includes minority interest of $38mm; 2006A financials are pro forma for the divestiture of the interiors business

Memo: Long range plan with July '06 industry outlook

($ millions)

	Management forecast				Extrapolation						Terminal
	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	period
Sales	$15,104	$14,442	$14,408	$14,835	$14,983	$15,133	$15,284	$15,437	$15,592	$15,747	$15,905
% growth	--	*(4.4%)*	*(0.2%)*	*3.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
EBITDA	810	910	1,004	1,084	1,097	1,109	1,122	1,119	1,131	1,143	1,154
% margin	*5.4%*	*6.3%*	*7.0%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*
EBIT	488	585	682	778	788	798	808	802	811	820	828
Less: taxes	90	108	111	177	276	279	283	281	284	287	290
tax rate	*18.5%*	*18.4%*	*16.3%*	*22.7%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*
EBIAT	$398	$478	$570	$602	$512	$519	$525	$521	$527	$533	$538
Plus D&A	323	325	322	306	309	311	314	317	320	323	326
Less: Capex	(246)	(228)	(249)	(224)	(315)	(318)	(321)	(323)	(326)	(330)	(333)
Less: (Inc)/dec in NWI	(25)	17	(17)	(15)	(5)	(7)	(7)	(5)	(7)	0	0
Less: Other[1]	(131)	(60)	(29)	13	0	0	0	0	0	0	0
Unlevered free cash flow	$318	$532	$597	$682	$501	$506	$511	$509	$514	$526	$532

Implied firm Value

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$5,561	$5,705	$5,866
10.5%	$5,294	$5,419	$5,558
11.0%	$5,052	$5,161	$5,282

Implied equity value[2]

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$3,270	$3,414	$3,575
10.5%	$3,003	$3,128	$3,267
11.0%	$2,762	$2,871	$2,991

Implied terminal EBITDA multiple

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	5.1x	5.4x	5.8x
10.5%	4.9x	5.1x	5.5x
11.0%	4.6x	4.9x	5.2x

Implied equity value per share[3]

Discount rate	Perpetuity growth rate 0.5%	1.0%	1.5%
10.0%	$42.53	$44.40	$46.50
10.5%	$39.06	$40.68	$42.49
11.0%	$35.91	$37.33	$38.90

Note: Based on management projections for the 2006-2010 period and extrapolation for the 2011-2016 period based on assumptions provided by management; the Special Committee has advised JPMorgan that the July 2006 industry outlook is out of date and no longer represents management's or the Special Committee's current estimate of the company's future financial performance

[1] Other includes tooling & engineering, pension contributions and $120mm cash impact from Auto interiors business segment in 2007 as provided by management

[2] Net debt of $2,291mm as of 12/31/2006; includes minority investment of $38mm and factored receivables of $256mm

[3] Based on updated basic shares outstanding of 76.3mm and options, stock appreciation rights and performance shares outstanding as of 12/31/2006; fully diluted shares using treasury stock method

Exhibit (c)(3)†

Confidential

Exhibit (c)(3)[1]

Strategic Assessment

February 2, 2007

[1] Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act. Omitted portions are indicated in this exhibit with [*].

Contents

Executive Summary

- Lear is a well-positioned major seat supplier with a much smaller, sub-scale electrical-electronics business
- In late 2006 and projected in 2007, they have improved OI levels to 3.2% and have rebounded from a weak performance in 2005
  - Record launches, commodity price increases with minimal time to respond, softening of their core large SUV business driven by increase in gas price spikes and the phase out of the GMT 800 platform
- Management is executing a restructuring program which includes the sale of their ISD business and closing or moving of 15 plants and reducing overhead cost for a total restructuring savings of $125M annually with an investment of $300M over the 2005-2007 timeframe
- They are successfully launching their hallmark program – GMT 900. [*]
  - Strong market acceptance of the GMT vehicles
  - Sustained large truck volume due to unique consumer needs
  - [*]
  - No meaningful competition until 2009
  - Risks are consistent with overall risks associated with the automotive supply base

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Executive Summary (contd.)

- A review of 10 major programs representing ~$4 billion in revenues indicated a consistent story – all programs reviewed were positive contributors with manageable risks
- Lear's program management system and culture provide strong financial control, assumption tracking and execution management
- Lear is implementing a metal strategy to increase vertical integration and expand the metal and mechanism content, which requires them to increase their competency in this complex area
- There is softness in the North American revenue pipeline in 2008 and 2009 that can be offset by aggressive sales activity in the near-future and/or increased restructuring and cost savings efforts
- The Electrical distribution business is 4th in the market place, while electronics is a sub-scale niche player
  - While these businesses are stable performers, their smaller size and differing competencies provide divestiture opportunities

On balance, the attractiveness of Lear outweigh the concerns

Attractiveness	Concerns
▪ Seats are increasing in content and are increasingly used for vehicle differentiation ▪ The company operates in a seat market with consolidated competition and rational pricing ▪ [*] ▪ Lear has strong people, operations and systems ▪ Lear has a favorable view in the industry and is trusted by most OEMs to delivery major programs ▪ Their business has a strong balance of market presence in North America and Europe with a growing Asian presence	▪ Generic risks associated with North American based automotive Tier I market – Declining Big 3 sales – Cost pressures from OEMs – Raw material pricing volatility ▪ Ability to quickly transition sales and associated cost structure from North America to Asia and Eastern Europe – Significant union presence in Lear operations in North America – Declining North American revenue will create excess capacity in that region ▪ There is a softening of their revenue pipeline in 2008 and 2009 with limited commercial opportunities in that timeframe

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Industry Assessment

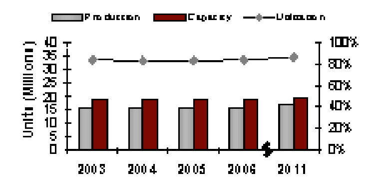
Capacity shift towards Eastern Europe and growth in Asia for both OEMs and suppliers will continue throughout 2007

- Global GDP growth is expected to be lower in 2007 than in 2006:
  - 3.7 versus 3.1% last year – U.S. GDP is projected to grow at 3.0% in 2007
- Key threats to US Automotive demand continue to be rising interest rates (prime 8.25%), slowing growth and oil prices
- In North America, Big Three production volumes are contracting
  - Asian OEMs are adding more than 2.0 million units of capacity
- Capacity in Europe is shifting from Western Europe to Eastern Europe (5.1% CAGR) and growing in Asia-Pacific (2.7% CAGR)
- Asian OEM CFRIC performance (8.2%) was better than both European (7.6%) and North American OEMs (4.5%) in 2005, driven by lower cost and excellent growth
- In 2005, European suppliers' CFRIC performance (9.7%) outpaced both North American suppliers (8.5%) and Asian suppliers (7.8%), driven principally by higher cash margins

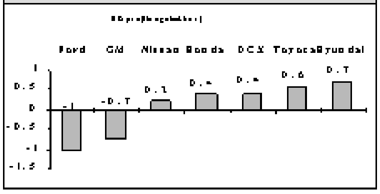
Note: (1) CFRIC: Cash Flow Return on Invested Capital
Sources: GDP: Economist Intelligence Unit

Capacity in North America, Asia and Europe is characterized by Realignment, Growth and Migration respectively

Production vs. Capacity N. America

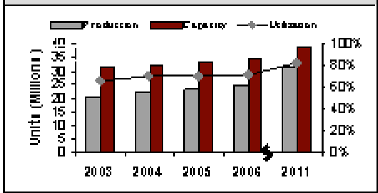


North America Capacity Changes

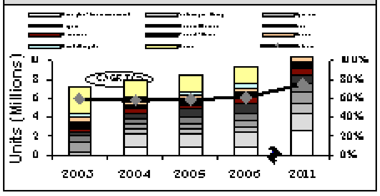


- Overall demand in North American is expected to be flat
- However, there is realignment occurring in the supply base, the decrease in capacity by GM and Ford is more than off-set by the increase at the Asian OEMs and Chrysler

Production vs. Capacity - Asia

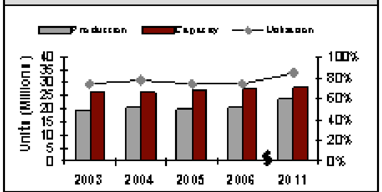


China

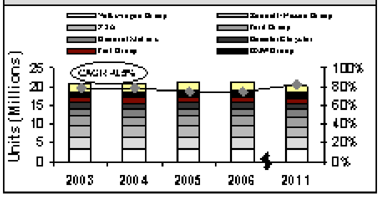


- Asian capacity will continue to grow at more than 5% CAGR
- China continues to be the fastest growth market
- Consolidation is very likely in emerging markets given the low capacity utilization and fragmentation

Production vs. Capacity - Europe



Western Europe



- Migration in production capacity is occurring from Western to Eastern Europe
- Capacity CAGR in Eastern Europe is 5.1% as against - 0.5% CAGR in Western Europe

Source: JD Power, Global Automotive Production Forecast, March 2006, A.T. Kearney analysis

Global vehicle production growth

Global Vehicle Production (millions of units)

REGION	2006	2007	2008	2009	2010	2011	2012	2013
North America	15.55	15.90	16.22	16.70	16.95	16.98	16.88	17.02
Western Europe	15.79	15.35	15.41	15.80	16.11	16.32	16.65	16.90
Eastern Europe	4.90	5.24	5.73	6.33	6.58	6.83	7.07	7.25
Asia	25.06	26.23	27.60	28.97	30.21	31.41	32.86	34.21
China	5.87	6.59	7.34	8.11	8.93	9.78	10.68	11.61
India	1.56	1.73	1.90	2.07	2.24	2.38	2.51	2.65
Japan	10.83	10.64	10.65	10.71	10.63	10.58	10.71	10.70
Korea	3.86	4.00	4.21	4.29	4.43	4.48	4.51	4.55
ROW	4.60	4.91	5.17	5.31	5.43	5.54	5.58	5.58
Global Production	65.91	67.63	70.13	73.10	75.29	77.07	79.05	80.96

Global Vehicle Production Growth (Year-over-Year) (% change)

REGION		2007	2008	2009	2010	2011	2012	2013
North America		2.3%	2.0%	3.0%	1.5%	0.1%	-0.5%	0.8%
Western Europe		-2.8%	0.4%	2.5%	2.0%	1.3%	2.1%	1.5%
Eastern Europe		6.8%	9.4%	10.5%	4.1%	3.7%	3.6%	2.5%
Asia		4.6%	5.3%	4.9%	4.3%	4.0%	4.6%	4.1%
China		12.4%	11.4%	10.5%	10.1%	9.5%	9.3%	8.7%
India		11.2%	9.7%	9.1%	8.1%	6.3%	5.4%	5.6%
Japan		-1.8%	0.1%	0.5%	-0.7%	-0.5%	1.2%	-0.1%
Korea		3.5%	5.3%	2.0%	3.2%	1.0%	0.7%	1.0%
ROW		6.9%	5.3%	2.6%	2.3%	2.0%	0.7%	0.1%
Global Production		2.6%	3.7%	4.2%	3.0%	2.4%	2.6%	2.4%

Source: JDP Production Data

Full-Size SUV Production

North America Vehicle Production (units)

Model	2006	2007	2008	2009	2010
Mercedes-Benz GL-Class	21,898	15,642	12,541	13,081	13,117
Dodge Full-size SUV	0	0	0	12,543	34,425
Lincoln Navigator	21,702	37,811	34,521	34,086	31,056
Ford Expedition	93,668	121,450	115,051	112,327	101,181
Cadillac Escalade & ESV	56,948	52,444	46,274	47,437	43,645
Chevrolet Suburban	101,228	99,227	94,001	90,263	94,775
Chevrolet Tahoe	189,002	178,875	170,373	165,455	168,790
GMC Yukon	96,699	80,213	76,409	75,955	80,206
GMC Yukon XL	62,140	60,131	57,633	50,419	51,804
Infiniti QX-Series	12,459	13,013	12,238	15,582	13,539
Nissan Armada	35,206	33,298	31,510	39,573	34,450
Toyota Sequoia	34,355	37,265	80,718	70,326	72,209

Source: JDP Production Data

Full-Size Pickup Truck Production

North America Vehicle Production (units)

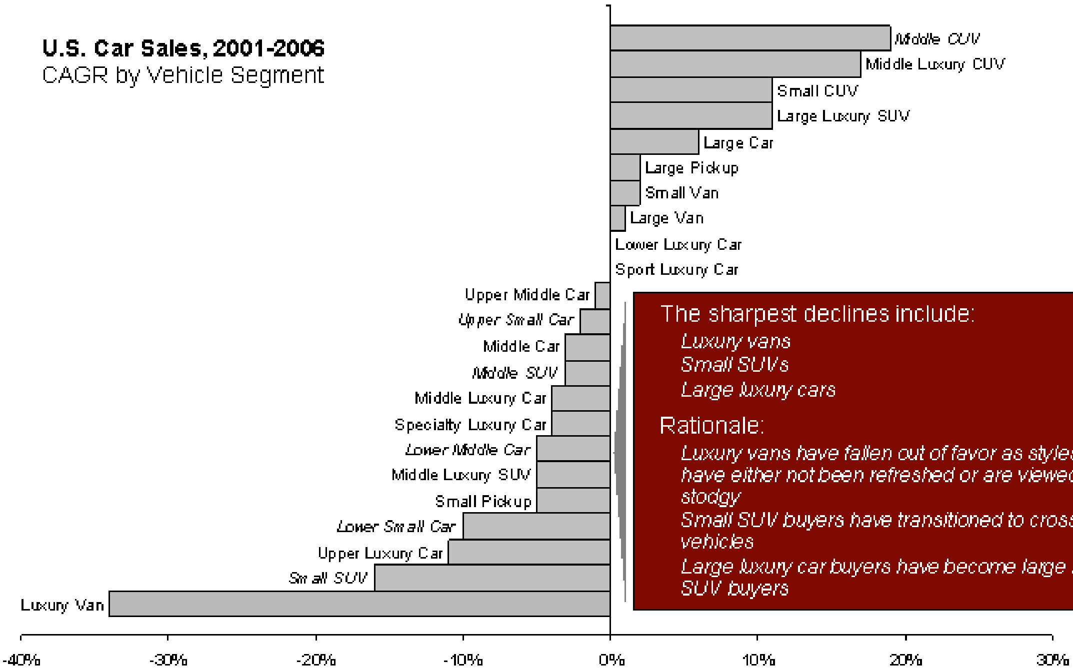
Model	2006	2007	2008	2009	2010
Dodge Ram Pickup	252,254	245,518	228,674	259,564	240,410
Dodge Ram Pickup Heavy Duty	170,474	165,768	155,068	134,606	160,908
Ford F-Series Lt. Duty	512,766	565,340	521,074	580,308	540,862
Ford F-Series Super Duty	323,560	305,130	346,482	313,688	301,542
Lincoln Mark LT	13,689	12,850	11,905	14,785	12,314
Chevrolet Avalanche	75,132	83,752	72,886	65,474	70,212
Chevrolet Silverado	408,737	489,792	465,619	433,986	420,551
Chevrolet Silverado HD	235,769	270,317	270,143	240,476	236,050
GMC Sierra	142,817	169,113	155,371	150,037	148,583
GMC Sierra HD	101,031	96,127	100,489	91,879	90,521
Hummer Pickup	0	0	0	4,334	23,410
Cadillac Escalade EXT	8,448	10,895	9,914	8,080	9,524
Nissan Titan	63,950	80,226	74,124	118,874	110,280
Nissan Titan HD	0	0	23,752	62,892	57,218
Toyota Tundra	124,608	255,210	240,552	238,922	243,042
Toyota Tundra HD	0	0	47,352	98,548	94,618

Source: JDP Production Data

A.T. KEARNEY

Cross-over vehicles, large SUVs, large cars and large pickups have retained sales growth between 2001 and 2006

U.S. Car Sales, 2001-2006
CAGR by Vehicle Segment



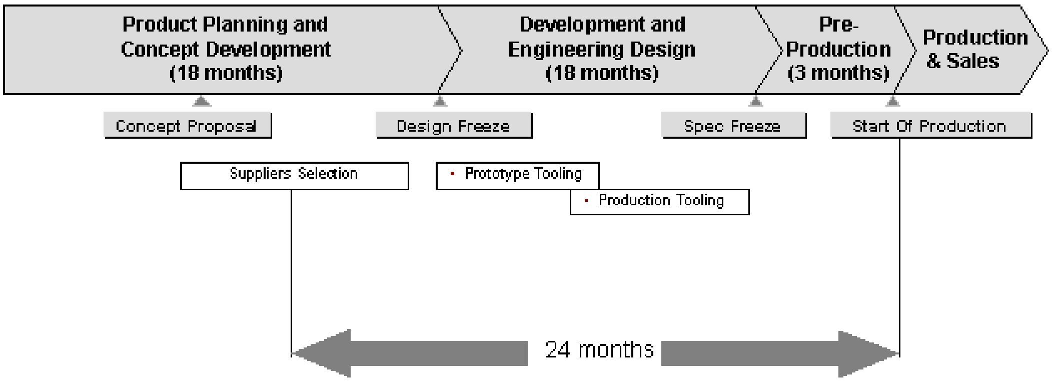
The sharpest declines include:
- *Luxury vans*
- *Small SUVs*
- *Large luxury cars*

Rationale:
- *Luxury vans have fallen out of favor as styles have either not been refreshed or are viewed as stodgy*
- *Small SUV buyers have transitioned to cross over vehicles*
- *Large luxury car buyers have become large luxury SUV buyers*

Source: Ward's Automotive Group

New programs in the auto industry require supplier investments as early as 2-3 years before start of production

Typical Automotive Product Development Phases



3 years prior to production:	OEM starts a product and technology concept investigation
2.5 years:	Marketing and Design studio are aligned _ Concept Proposal (not associated with price)
2 years:	Once content has been defined, purchasing gets involved. Shift to cost discussion

Source: A.T. Kearney analysis and interviews

A.T. KEARNEY

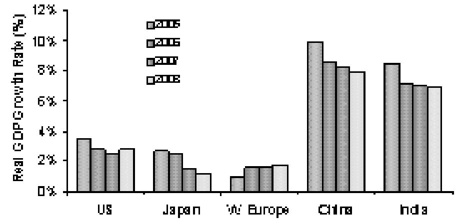
Launch cadence of major platforms (>~500k units) slows after 2008

Region	SOP year	Global Production Model	Platform	Platform Volume
North America	2008	Ford F-Series Lt. Duty P415	P221 2	700,299
	2009	Honda Ridgeline, Odyssey, Pilot	UM 2	500,566
		Chevrolet Malibu GMX351	GM Global Midsize 1	589,794
	2010	Honda Civic & Element UH(ng)	UH 2	445,554
	2011	Toyota Corolla 130L/150L(ng)	130L 2	515,688
		Toyota Camry 044L(ng)	MC 2	569,729
	2012	Honda Accord NA QP(ng)	Accord 5	398,851
		GM Truck & Pickup	GMT900 2	966,559
Europe	2008	Opel Meriva S4316(ng)	B Segment 1	545,740
		Peugeot 308 & Citroen C4	PF2 2	601,253
		Renault Megane W95 & Scenic	P3 2	668,129
		Audi A4 AU481/2 & Passat	PQ47	778,260
		Audi A3 AU360 & VW Golf	PQ36	1,252,509
	2009	Nissan Micra, Note & Clio	P1 (Ren-Niss) 2	1,057,098
	2010	Ford Focus C307(ng)	P1 (Ford) 2	895,267
	2011	Opel Corsa, Fiat Punto 199(ng)	B Segment 2	881,680
Asia	2008	Toyota Corolla 130L/150L	130L 1	361,854
		Toyota Hilux Surf 375X - Prado	375X	401,622
		Suzuki Wagon R 4	B Segment 1	478,825
		Hyundai Avante HD	HD 1	478,837
	2010	Hyundai Sonata NF(ng)	NF 2	386,237
	2011	Toyota Yaris/Vitz 970M/980M(ng)	NBC 3	492,994

Regulatory directives and commodity fluctuations will continue to influence decisions in the automotive industry

Macroeconomics

Real GDP Growth Rate (%)



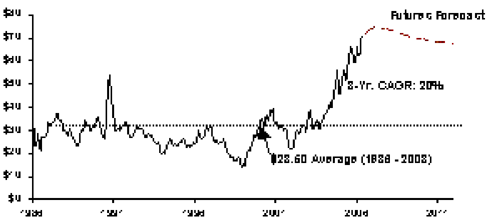
Geopolitics & Public Policy

Laws and Consumer Sentiment

- Regulatory Environment
  - Fuel Economy
  - Fuel taxation, import duties / taxes
  - Emissions, Green-House impact
- Hot Topics
  - Energy Security
  - Emissions / Global Warming
  - Potential vehicle and regulatory impacts
- Political unrest effects supply chain pricing (oil, plastics, etc.) and consumer demand and willingness to pay for "green" technologies

Oil Prices

Spot Price of West Texas Intermediate Crude / Barrel



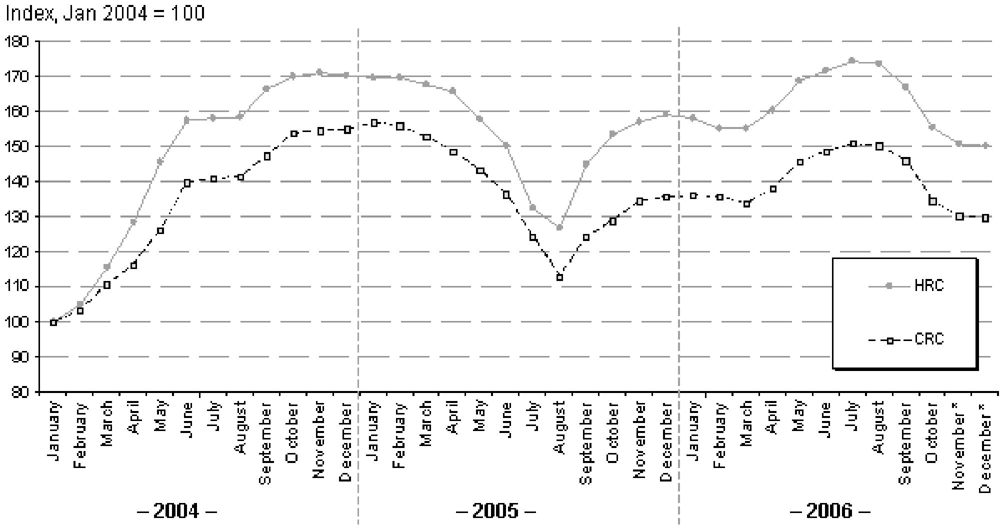
Technology

Product Evolution Shifts Demand

- Technology Refinement / Obsolescence
  - Manual transmissions largely replaced by automatic
  - Power windows preferred to manual
- Innovation
  - I-Pod docking stations / Bluetooth communication
  - Navigation systems / Electronic stability systems
  - Passive restraints

In North America, steel prices have reached their highest in July 2006, accumulating an increase of 34 - 37% since July 2005

Price development _ Hot and Cold Rolled Coil _ carbon steel grades in North America



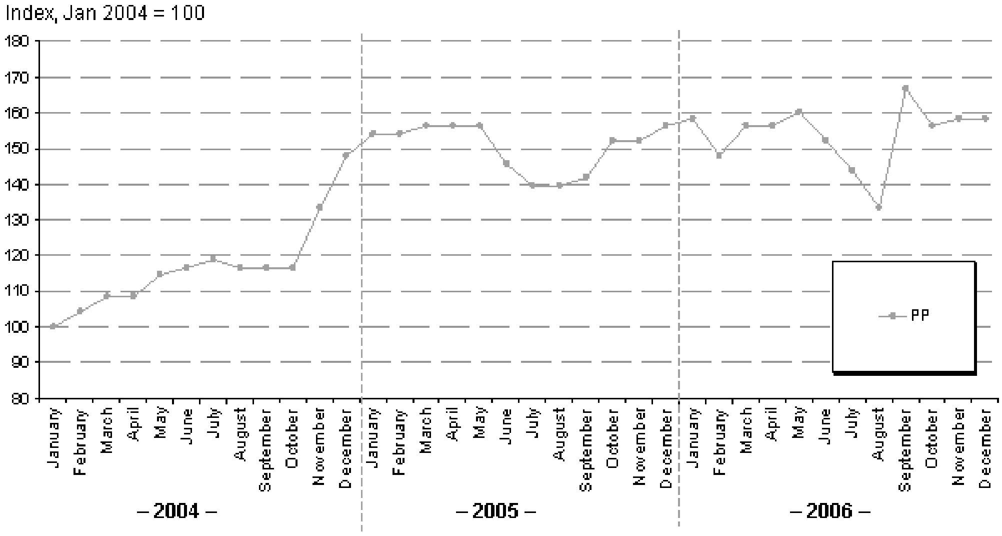
- HRC – Jan 2004: $350/ton. Prices peaked in Sept-04, and fell by 34% to $ 560/ton in Q1/06
- CRC - Jan 2004: $450/ton . The price level peaked in Sep-04, decreasing by 40% over the following 10 months to $ 480/ton

Source: MEPS (historic figures); * estimated based on Bureau of Labor Statistics data

A.T. KEARNEY

Polypropylene prices have increased 60% in the last 3 years

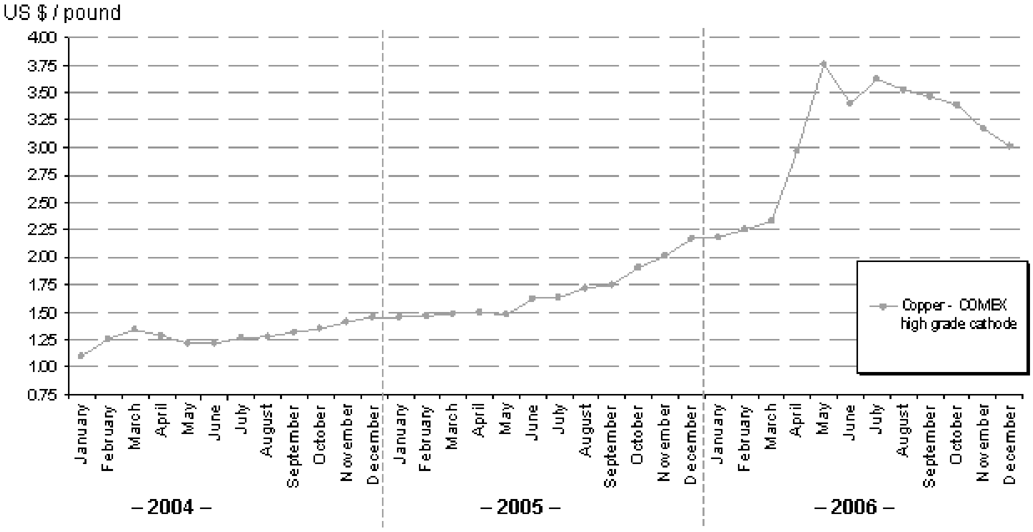
PP Pricing Trend: January 2004 – December 2006



Source: MEPS (historic figures)

Copper pricing has increased 174% over the two-year period ending December 2006

Copper Pricing Trend: January 2004 – December 2006

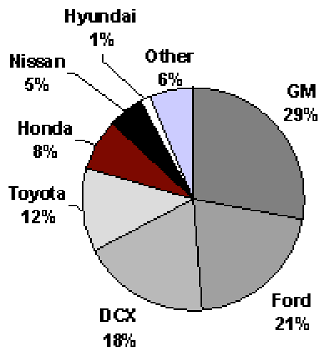


Source: American Metal Market Pricing Archives

Large Pick-up/SUV Market

The Big Three continued to dominate the light truck sales in the US in 2006

Light Truck Segment US Market Share



Purchase Considerations

- **Loyalty:** Private (retail & personal) large pick-up truck buyers are loyal. 69% of owners trading in their vehicles traded for another large pick-up, while in the SUV segment, only 39% of owners do the same
- **Stabilized / lowered fuel prices**: seem to be a major factor in the recent increase in owner loyalty rates for pick-ups and SUVs
- **From which manufacturer?**
  - GM leads the market with 29% share
  - GM's new full size pick-ups and SUVs are built from the GMT900 platform
  - Trucks and SUVs represent 60% of sales at General Motors, 62% at Ford and 75% at DaimlerChrysler in North America

Note: (1) Light truck segment is comprised of pickups and SUVs (large and medium)
Sources: Ward's Automotive, A.T. Kearney analysis

Customers of full size pick-up trucks are segmented between discretionary and functional users

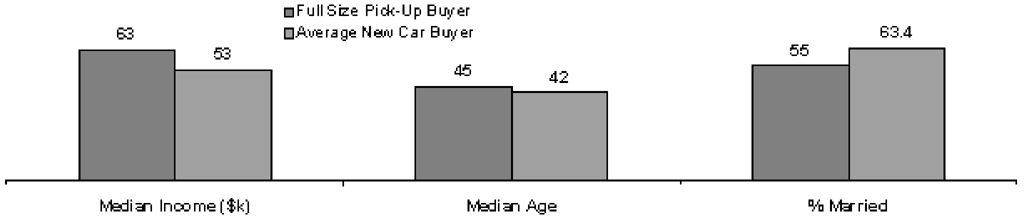
Pick-Up Truck Customer	Segment	Trends	Usage / Drivers
Discretionary (19.4%)	Transportation (19.4%)	• Added safety / security features • Cross-over vehicles have increased competition	• Roomy comfortable commuting • Transporting home improvement materials
Functional (80.6%)	RV Towing (11.1%)	• Increased power and towing capacity • Rising fuel costs hamper buyer interest	• Towing boats • Hauling campers / trailers • Vacations / luggage / sporting equipment
	Farmer (17.4%)	• Continued demand, few alternatives	• Farming • Landscaping / snow removal • Delivery services
	Contractor (36.9%)	• Interiors become mobile office • Minding life cycle costs	• Construction Businesses • Utility Trucks • Airport shuttles
	Fleet (15.2%)	• Greener: Flex fuel capability, hybrids • Higher option content	• Government / Police / Fire / Mail • Fed Ex/ UPS / etc. • Rentals

Source: Automotive Fleet Magazine, U.S. Automotive Sales Report, Automotive News, CWN Marketing Research A. T. Kearney Analysis

In the full size pick-up truck segment, purchase decisions are mainly driven by functional ability

Who Buys a Full Size Pick-up	Why it is Purchased
▪ Men comprise 80% of total buyers ▪ Pick-up truck buyers are the most loyal of any segment ▪ Pick-up truck owners are less price conscious and are less concerned about airbag safety than the average consumer	▪ Large pick-up trucks are bought for their functional ability (hauling, lumber, etc.) in the box. Yet, they're no longer strictly utility work vehicles ▪ Improved ride quality and handling ability coupled with larger cabs and plush interiors make them attractive to more buyers, including a growing number of women

Demographics / Information on Full Size Pick-up Buyers



Source: CMS Worldwide, CNW Marketing Research Inc.

A.T. KEARNEY

In the full size SUV segment, purchase decisions are mainly driven by consumers' lifestyle decisions

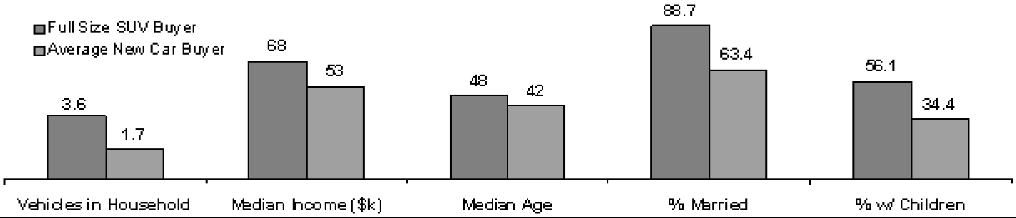
Who Buys a Full Size SUV

- Buyers are "well-to-do" individuals and are somewhat immune to temporary fuel price hikes
- Aging baby boomers, with their changing lifestyle demands, coupled with additional product choices (CUVs), will drive sales declines in the segment more than fuel cost spikes
- Families / large groups are also a significant segment for this market

Why Purchased

- Large SUVs are lifestyle vehicles
- Full size SUVs do not have direct competition from other segments in terms of capabilities:
  - Seating capacity
  - Hauling capacity
  - Towing capabilities

Demographics / Information on Full Size SUV Buyers



Source: CMS Worldwide, CNW Marketing Research Inc.

Several macro factors affect demand for full size pick-ups and SUVs, including the GMT 900

Demand Drivers	Potential Trend Relevance / Likelihood	Buyer Effect SUV	Buyer Effect P/U
▪ **Macro-level factors** – GDP growth	– *The US GDP is expected to grow at sluggish, yet consistent, 3.% this year. While recessions or significant economic down turns slow vehicle purchase, this years economic conditions are not viewed as a deterrent*	↗	↗
– Interest Rates	– *As interest rates continue to rise, financed vehicle purchase decisions become less likely.*	↘	↘
– Fuel Prices	– *Since full-size SUV buyers are well-to-do individuals, they are somewhat immune to temporary fuel price hikes*	↘	↘
– New Housing Starts	– *"… pretty closely tied to the level of **construction spending of which residential is a little over** 50%"*	⇔	↗
– Legislation	– ***Fuel economy** pick-up truck owners find "better fuel economy" to be the most important improvement.* – *While most drivers value **safety**, full size SUVs and Pick-up are currently being designed to be more compatible with smaller cars in crashes*	↗	↗

Source: CSM Worldwide insights on the global automotive market, *just-auto.com editorial team December 2006, Polk PickUp Truck Usage study*

The demographic of a GMT 900 buyer...

Buyer Demographic Characteristics	Relevance	Buyer Effect SUV	Buyer Effect P/U
Demographic			
– Geographic Location	– *Full size pick-up buyers tend to reside in the mid-west and the south*	⇔	⬇
– Gender	– *80% of all pick-up truck owners are male, having limited appeal to a broader audience. The split is close to 50/50 on full size SUVs*	⇔	⬇
– Age	– *On average, SUV and pick-up truck owners are 48 and 50 years old, respectively, both slightly older than the average of 42 years*	⇔	⇔
– Profession	– *Pick-up truck owners are fairly evenly split between blue collar, white collar vocations and retirement*	⇔	⇔
– Family Size / Children	– *Full size SUV owners tend to be married and have school age children that need to be driven to school, sporting and social events*	⬆	⇔

Source: CSM Worldwide insights on the global automotive market, *just-auto.com editorial team December 2006, Polk PickUp Truck Usage study*

Lifestyle, functionality and brand are the key factors that influence purchase decisions

Purchase Decision Drivers	Relevance	Buyer Effect SUV	Buyer Effect P/U
Lifestyle – Vacation travel	*SUV owners tend to choose based on roominess / interior spaciousness / comfort when driving, and vacation generally are road trips*	↑	NA
– Commuting	*Full Size SUV are used more extensively for commuting, than full size pick-up trucks*	⇔	⇔
– Image / Style	*The SUV segment is slightly more image conscious, sensitive to having the latest style, a risk as buyers migrate to newer trendier CUVs*	↓	⇔
Functionality – Towing Capacity	*8% of pick-up truck owners use their trucks to tow boats*	⇔	↑
– Cargo Capacity	*Light Duty Pick-up trucks have a variety of bed sizes to accommodate various cargo hauling needs.*	↗	↑
– Seating Capacity	*SUVs can carry cargo, yet focus on carrying people, often up to 9*	↑	⇔
– Power / Torque	*Power and torque are key criteria for pick-up truck buyers*	⇔	↑
Brand	*Full size pick-up truck buyers are very cognizant of brand, preferring domestic for perceived features and ruggedness and are the most loyal of any buyer segment*	⇔	↑

Source: CSM Worldwide insights on the global automotive market, *just-auto.com editorial team December 2006, Polk PickUp Truck Usage study*

Based on customer utility, Heavy Pickups are least sensitive to customers switching segments

GMT Segments

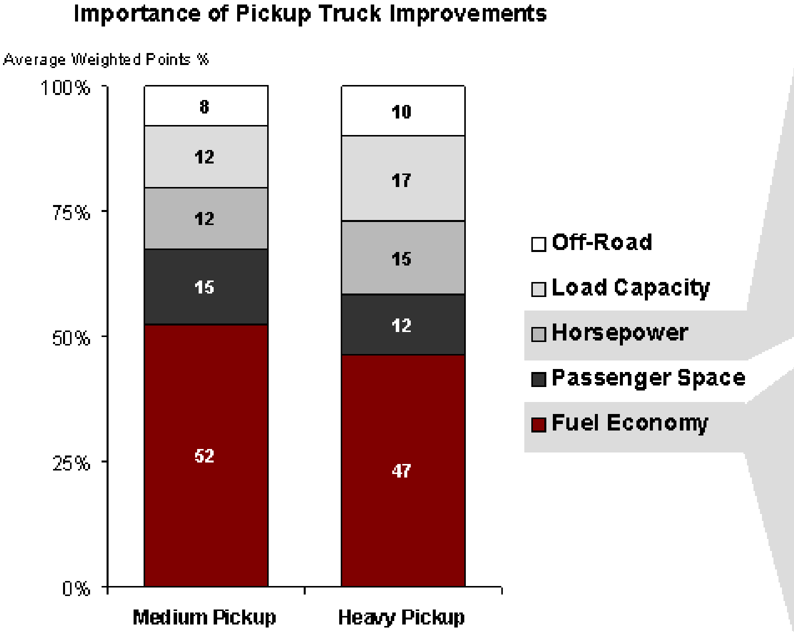
Pickup Truck Utility	Light Pickup (Class 1)			Medium Pickup (Class 2A)			Heavy Pickup[1] (Class 2B)		
	Frequent		Sometimes	Frequent		Sometimes	Frequent		Sometimes
Transporting Loads in Bed	37%	69%	32%	40%	76%	36%	52%	74%	22%
Towing (trailer, camper, boat)	23%	41%	18%	40%	61%	21%	59%	87%	28%
GM Entry Example	GMC Sonoma			Chevy Silverado 1500			GMC Sierra 2500 HD		
Ford Entry Example	Ford Ranger			Ford F-150			Ford F-250		
Class Substitutes (to maintain utility)	CUVs, Medium SUVs			Heavy Pickup (Class 2B)			Class 3 Truck		

Light Pickup Owners do not rely on their vehicle solely for truck utility

Medium and Heavy Pickup Owners rely more on truck utility and have fewer alternatives

Notes: (1) Heavy Pickups are 32% of GMT900 pickup volume and 27% of the total U.S. large pickup market in 2007
Source: R.L. Polk, Ford Motor Company, General Motors, JD Power Production, A.T. Kearney Analysis

GMT900's fuel economy performance matches customer desires for improvements in pickup trucks



Horsepower

- V-8 engines standard on all GMT900 pickup trucks
  - 295 hp 4.8L V8 engine
  - 315 hp 5.3L flex fuel V8
  - 367 hp 6.0L high-output V8 engine

Fuel Economy

- Cylinder Deactivation allows Silverado to achieve best-in class fuel economy
- Flex fuel is available on an engine option

Source: R.L. Polk, A.T. Kearney Analysis

GM's new GMT900 platform has received positive reviews for the Silverado full size pick up and enjoyed strong sales volume

Positive Reviews

- Silverado won Motor Trend Truck of the Year for 2007
- Silverado won North American Truck of the Year for 2007
- Detroit Free Press rates it "Four stars. Best in class."
- Motor Trend editor says it's "the best in the business"

Limited Competition

- F-150 and Dodge Ram have not been redesigned for past three years and have experienced declining market share
- Honda and Nissan have not been able to successfully gain market share
- Toyota Tundra will debut with higher pricing, lower fuel economy, and after a Jan. 25th recall of 533,000 2004-2006 Tundras and Sequoias

Stabilizing Fuel Prices

- Fuel prices have dropped from $2.87 to below $2.50 per gallon
- Gas prices are predicted to stabilize in $2.50 range by Global Insight

Strong Initial Sales Volume

- Silverado experienced an 18.1% year-over-year increase in sales in Q4 2006 when the truck was launched
- Sales for 2007 models have been without incentives

Source: MotorTrend, Factiva, Global Insight, A.T. Kearney Analysis

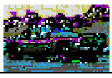
Launches of the new Yukon, Suburban, Tahoe in 2006 have been successful for GM

Positive Reviews & Content	▪ Tahoe: "It's a confident expression of all that's right with America and the best full-size SUV ever built." – Edmunds ▪ Yukon: "best in class" - Business Week ▪ "The models are very competitive and include features not found in other vehicles, such as Active Fuel Management"
Struggling Competition	▪ Toyota launching a much larger Sequoia in light of higher gas prices may negatively affect sales and tarnish its environmentally friendly image ▪ The only other new full size SUV launch in 2006 was the unibody Jeep Commander ▪ Ford is counting on a significant price cut and a new extended-length version of the Expedition to pull consumers from GM, Expedition has cut production to 1 shift ▪ Dodge Durango plant is at risk of closing, with current inventory turns at 182 days, three times industry average
SUV Segment Trading Patterns	▪ The large SUV segment has a highest loyalty rate (39%) than the industry average (35%), or than any segment in the compact category ▪ More than 50% of large premium SUV owners stay within the large SUV / large pickup segments
GM Brands	▪ Dealers say the redesigned SUVs are selling at or near sticker price ▪ Combining dealer showrooms (Buick/GMC/Pontiac), (Cadillac/Saab/Hummer) should help control costs and eliminate pressure to cannibalize sales from other GM divisions

Source: J.D. Power "High Loyalty Study"; MotorTrend, Factiva, Global Insight, A.T. Kearney Analysis

GM's GMT900 platform is expected to have a modest volume decline by 2010

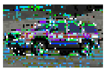
Trucks






Make & Model	Chevy Silverado	GMC Sierra	Chevy Silverado HD	GMC Sierra HD	Chevy Avalanche	Cad Escalade EXT
2007 Volume	494,581	189,308	270,317	96,127	83,752	10,895
2003-6 CAGR	-15.3%	-11.7%	24.7%	32.2%	-9.5%	-7.3%
2007-10 CAGR	-4.9%	-4.5%	-4.4%	-2.0%	-5.7%	-4.4%

SUVs



Make & Model	Chevy Tahoe	GMC Yukon	Cadillac Escalade	Chevy Suburban	GMC Yukon XL	Cad Escalade ESV
2007 Volume	179,697	80,213	34,648	99,227	60,131	17,796
2003-6 CAGR	-6.6%	-2.7%	0.1%	-13.5%	-9.5%	3.8%
2007-10 CAGR	-1.9%	0%	-5.3%	-1.5%	-4.8%	-7.2%

Other



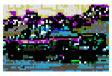

Make & Model	Saturn Outlook	Buick Enclave	Hummer H2 and PU	GMC Acadia	GMT900 Trucks	All GMT900
2007 Volume	62,287	63,034	4,061	52,786	1.13 M (15% YOY)	1.61 M (7% YOY)
2003-6 CAGR	N/A	NA	-24.7%	N/A	-5.7%	-6.6%
2007-10 CAGR	-1.8%	12.9%	40.3%	-4.8%	-3.7%	-3.2%

Source: J.D. Power Production Forecast

A.T. KEARNEY

GM's large trucks face competition from many domestic and foreign OEMS, and Ford & Dodge will refresh their models in the same time period in 2 years

Trucks



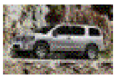



Make & Model	GM GMT900	Ford F150 - MarkLT	Dodge Ram	Toyota Tundra	Honda Ridgeline	Nissan Titan
2007 Volume	1.13 M	883,320	411,286	255,210	53,754	80,226
2003-6 CAGR	-5.7%	-3.2%	-6.2%	5.6%	N/A	87.2%
2007-10 CAGR	-3.7%	-1.1%	-0.8%	9.8%	-1.8%	27.8%
Current SOP	Apr 2006	Jul 2003	Aug 2002	Jan 2007	Jan 2005	Oct 2003
Next Gen SOP	Jan 2012	Jul 2008	Jul 2008	Oct 2011	Jul 2011	Jul 2008
Press Reviews Customer Ratings	Refined, quiet. But trans sometimes blunts performance 9.3 /10	Responsive handling, too little interior storage 8.5 / 10	Sharp steering, poor fuel economy 9.4 / 10	Highly Favorable. Quality, reliability and brawn(2007MY) 7.3/10 (2006MY)	Solid truck, very car like ride 8.6	Good, but still not trucky enough 8.5
Anticipated Market Strategy	Rebates and Buy American: "This is our country"	Rebates, Touting top selling truck position	Heavily rebates, until new 2009's.	Images of muscle, proving Tundra is a work truck	Anticipate halo effect as those who wouldn't buy foreign PU, now may	Anticipate halo effect as those who wouldn't buy foreign PU, now may
Other Notes	Combines all GM entries	M. Fields promised it would retain best selling truck in 2007		New plant in San Antonio TX, heart of truck market	1st generation full size truck from Honda	

Source: Edmunds, J.D.Power

GM's SUVs have less competition in the market with GMT900 vehicles controlling the volume

SUVs

						
Make & Model	GM GMT900	Ford Expedition	Nissan Armada	Toyota Sequoia	Dodge Durango	Mercedes GL
2007 Volume	482,665	121,450	33,298	37,265	Est. 35,000	12,109
2003-6 CAGR	-8.2%	-22.5%	24.9%	-19.8%	N/A	N/A
2007-10 CAGR	-2.9%	-5.9%	1.1%	24.7%	N/A	3.7%
Current SOP	Nov 2005	May 2002	Aug 2003	Sep 2000	N/A	Jan 2006
Next Gen SOP	Jan 2012	Jul 2010	Jul 2008	Dec 2007	Jul 2009	Jan 2012
Press Reviews Customer Ratings	Attractive interior with solid materials, no flat fold 3rd row seat 9.0 / 10	All major safety features standard, a few low grade interior plastics 9.5 / 10	Roomy accommodations in all three rows, fold-flat 3rd-row seat 8.5 / 10	Refined drivetrain, agile handling, Toyota reputation for reliability 9.8 /10	Powerful engines, ample cargo capacity, intuitive controls, poor fuel economy 6.3 /10	Strong acceleration, quiet interior, many luxury amenities, excellent fit and finish 9.1 / 10
Anticipated Market Strategy	Level of refinement now in vehicle that was not there for discretionary buyers.	Offer function and a spacious package. Maintain interior room advantage	Niche entrant	Enhanced "large truck" image and product	Plant at risk of shutting down, highest rebate in market right now	Niche player
Other Notes	Combines all GM entries Fabulous safety equipment	Market focus on the core customer who really values what this product can bring them		May have overcompensated for the current Sequoia, which was seen as too small.	Much-publicized Durango hybrid	

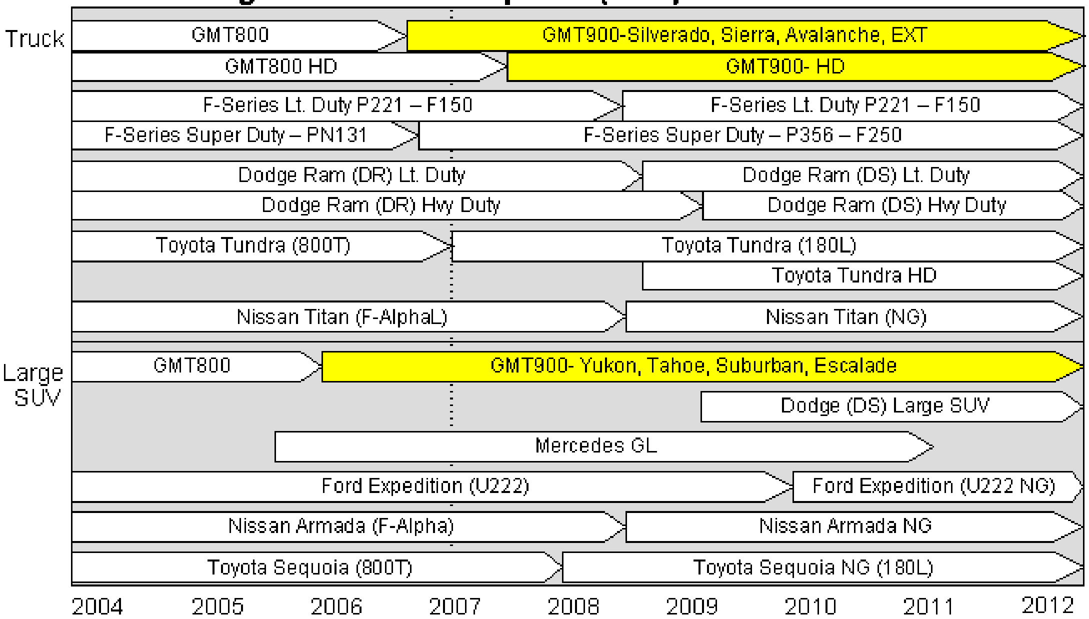
Source: Edmunds, J.D.Power

A.T. KEARNEY

GMT900 has had a strong start and will not face much competitive pressure in the SUV segment

Illustrative

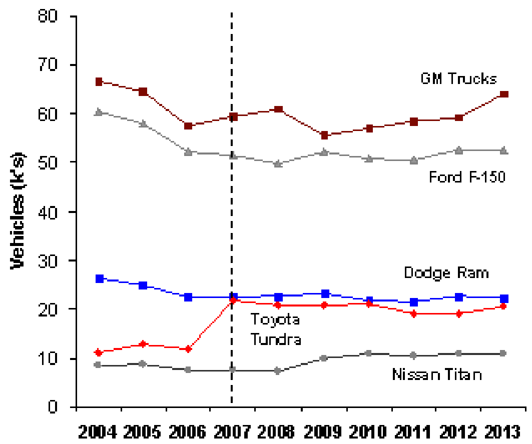
U.S. Truck and Large SUV Product Pipeline (SOP)



Source: JDP Production Data

Toyota Tundra is not likely to have an effect on GMT Pick-up Truck sales through 2008

Light Duty Truck Sales Forecast



Market Data

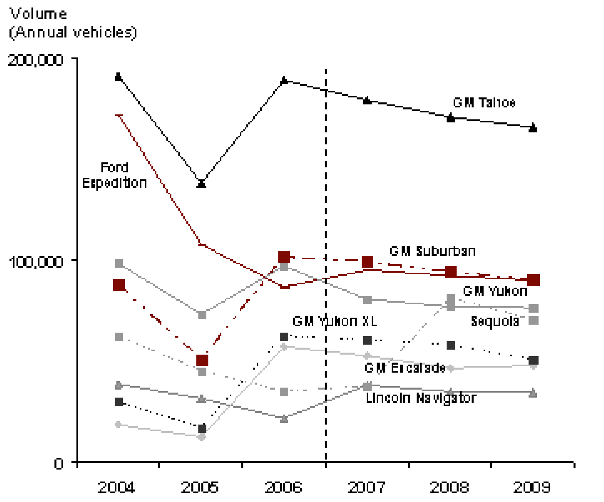
- Toyota priced the Tundra starting at 25% higher than the Silverado
- Toyota's comparable V8 models are priced 48% higher than GM's
- Starting model of Tundra has V6 engine, while starting Silverado model has V8
- Silverado, with cylinder deactivation has better fuel efficiency with a V8 (16/22) than:
  - Tundra V6 (17/20) and 5.7L V8 (16/20)
  - Ford F150 4.2L V6 (16/21)
- Ford F150 and Dodge Ram is most vulnerable to share loss with aging models
- Only 50% of domestic OEM Truck buyers will seriously look at a foreign brand

- Toyota is not pricing for share growth
- Tundra's price point for V8 performance will not appeal to functional buyers
- Near-term Tundra share growth will come from Ford, Dodge, or Nissan

Source: JD Power Sales Forecasts, Business Week

The full-size SUV segment has many entries, with total GM entries leading, while Ford and Toyota seeing recent sales decline

Full Size SUV Sales Forecast



Market Data

- The segment holds about 3.5% of total US market share
- At the beginning of 2006 GM introduced its new Tahoe and Yukon
- With the introduction of its new Sequoia at the end of 2007, Toyota has plans of doubling share in this segment

This segment may be sensitive to gas price fluctuations in the short term, however, in general the segment is fairly resilient

Source: JD Power Sales Forecasts, Business Week

2007 Chevrolet Silverado / Sierra

570,000 vehicles/year are targeted, 425k Chevy Silverados, 145k GMC Sierras

Content

- 1500 Crew Cab is available in three trims: Work Truck, LT and LTZ trim in either 2WD or 4WD configurations
- 3 Engines:
  - 295 hp 4.8L V8 engine
  - 315 hp 5.3L flex fuel V8
  - 367 hp 6.0L high-output V8 engine.
- Transmissions: electronically controlled four-speed automatic transmission.
- StabiliTrak electronic stability control system with rollover mitigation technology has been added to all Crew Cab models as standard equipment.
- 4 Assembly Plants: Fort Wayne, Oshawa, Pontiac East and Silao

2007 Chevrolet Silverado 1500 Crew Cab LTZ

Pictured: 2007 Silverado 1500 Crew Cab Standard Box 4x4 LTZ

Invoice: $26,091
Retail: $28,515
Target Price: $27,850

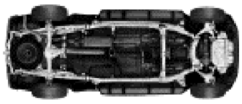
Source: www.tundrasolutions.com, J.D. Power Sales Forecast

2007 Toyota Tundra

Targeting 200,000 vehicles for 2007 compared to 125,000 in 2006

Double Cab Limited

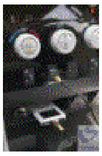
Underbody



Content

- 3 engines, including a 5.7L produced in Huntsville, AL
- 8'1" long bed will be available in:
  - Regular Cab and
  - Double Cab Versions
    - 165-inch wheelbase
    - Crew of six plus maximum cargo
- Assembly Plants: Princeton, Indiana and San Antonio, Texas
- Maximum towing greater than 10,000 lbs, a payload capacity to compete with the best in the half ton class

I-Pod Interface



Glove Box

DVD Navigation System: May not offer XM NavTraffic[1]

DIMENSIONS (in)	**Regular Cab**	**Double Cab**
Length:	209.8/228.7	228.7/247.6 (Std/Long bed)
Overall width:	79.9/79.9	79.9/79.9 (Std/Long bed)
Overall height:	76.0/76.4	76.0/76.4 (4x2/4x4)
Wheelbase:	126.8/145.7	145.7/164.6 (Std/Long bed)
TRUCK BED DIMENSIONS (inches)		
Bed length	78.7/97.6	787.7/97.6 (Std bed/Long bed)
Bed width	66.4	66.4 (at tailgate)
Bed width	50.0	50.0 (between wheel wells):
Bed depth:	22.2	22.2

Notes: (1) XM NavTraffic data enables an overlay of color-coded traffic flow information on the navigation map, indicating how fast the traffic is currently moving on the driver's personal route. Accidents and road construction are identified on the map by icons.

Source: www.tundrasolutions.com, J.D. Power Sales Forecast

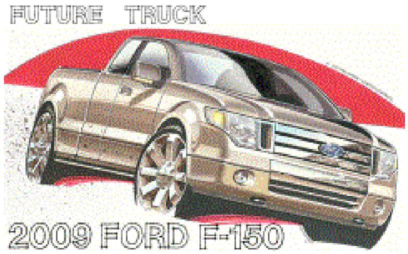
A.T. KEARNEY

2008/9 Ford F-Series

Future 2009 Ford F150 and 2008 Super Duty

Content(1)
2009 F-150 (Light Duty) ▪ More aggressive exterior styling with a beefed up triple bar grill ▪ New 4.4 liter diesel engine option – first diesel offering in the ▪ 6 speed automatic transmission **2008 Ford Superduty** ▪ New features such as TailGate Step for a more versatile bed and Powerscope Mirrors the industry's first power folding and telescoping trailer tow mirrors ▪ New F-450 offering is billed as the biggest consumer pickup ever featuring a 6.4L Power Stroke diesel that can tow 5000-lbs more than an F-350

2009 Ford F150 - Concept



2008 Ford Super Duty

Notes: (1) Industry reviews not conducted yet; Available information released from manufacturers
Source: Factiva, various automotive press

2009 Dodge Ram

Designers will focus on developing a refined interior for the 2009 Dodge Ram

Content [1]

- The future Dodge Ram will still look bold and aggressive
- DaimlerChrysler notes that pickup trucks, like cars, are becoming more like homes, with contractors needing space for files and room for a laptop computer
- Designers are spending a lot of time focusing on a refined interior with technological features, like an iPod adapter

New Engine for current Dodge Ram

- For now Chrysler is the first automaker to come out with a diesel truck that meets the new standards
  - Current **Dodge Ram** 2500 and 3500, capable of using certain biodiesel fuels, go on sale in March 2007
  - These 2007 models will meet tough new emission standards three years before the 2010 deadline

2009 Dodge Ram - Concept

Current Dodge Ram pickup accounts for +15% of Chrysler Group sales

Notes: (1) Industry reviews not conducted yet; Available information released from manufacturers
Source: Factiva, various automotive press

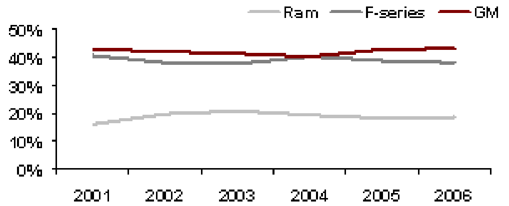
A.T. KEARNEY

The impact on the market share of GM offerings will be limited based on segment dynamics and high brand loyalty

Pickup Segment

- **Large Pickup Segment has the highest loyalty of any segment (1)**
- **Chevrolet has the best brand image in the pickup segment (2)**
  - Chevrolet tops the shopping list of 56% of buyers
  - Ford is second, GMC is third
- **GMC rated highest in Brand Loyalty (2)**
  - Chevrolet tied for second place
- **Only 9% of Domestic Large Pickups defect to Import models from Toyota and Nissan**

Market Share of "Big 3" Pickup Sales



Implications to GMT900

Maintain share due to high customer brand loyalty and image

- **The freshest model on the market usually gain share**
  - Market shares return to stable levels over time
  - Year of last major F-series launch (2004), GM share dropped by 0.8% (3)
  - Year of last Dodge Ram launch (2003), GM share dropped by 0.8% (3)
- **Known features on the new 2008/2009 products are not unique**
  - F150 Diesel - GM is pursuing a diesel engine for their light duty pickups by 2010 (4)
  - F150 6-spd – GMC Sierra already offers a 6-spd transmission

Notes: (1) J.D. Power, High Loyalty Segments (2006)
(2) Based on study by Kelley Blue Book Marketing Research Brand Watch (1/23/2007)
(3) One share point is approximately 21,000 vehicles
(4) Automotive News, October 2006
Source: J.D. Power High Loyalty Segments report, Kelly Blue Book

New entries from Toyota and Nissan in the large SUV segment should have a minimal impact on GMT900 share

SUV Segment – New Products

- **2008 Toyota Sequoia**
  - Based on new Tundra pickup
  - Larger package for passengers and cargo
  - New engines and transmissions to provide more power

- **2008 Nissan Armada**
  - New exterior styling
  - Upgraded interior
  - No major platform changes until 2010

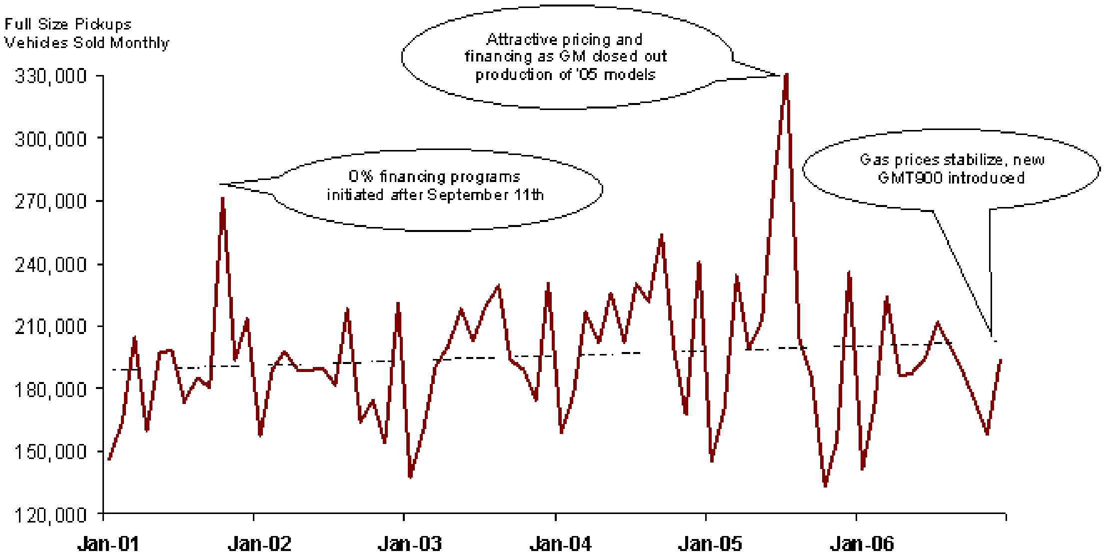
Implications to GMT900

Maintain share in spite of increased competition from stronger product offering from Toyota

- **Toyota Sequoia**
  - Expected to be a significant improvement over current product
  - Will likely capture additional share of the segment
  - Share will mostly come at the expense of the older vehicles in the segment
- **Nissan Armada**
  - Minor upgrade over current product
  - Likely will maintain share

Source: Factiva, various automotive press

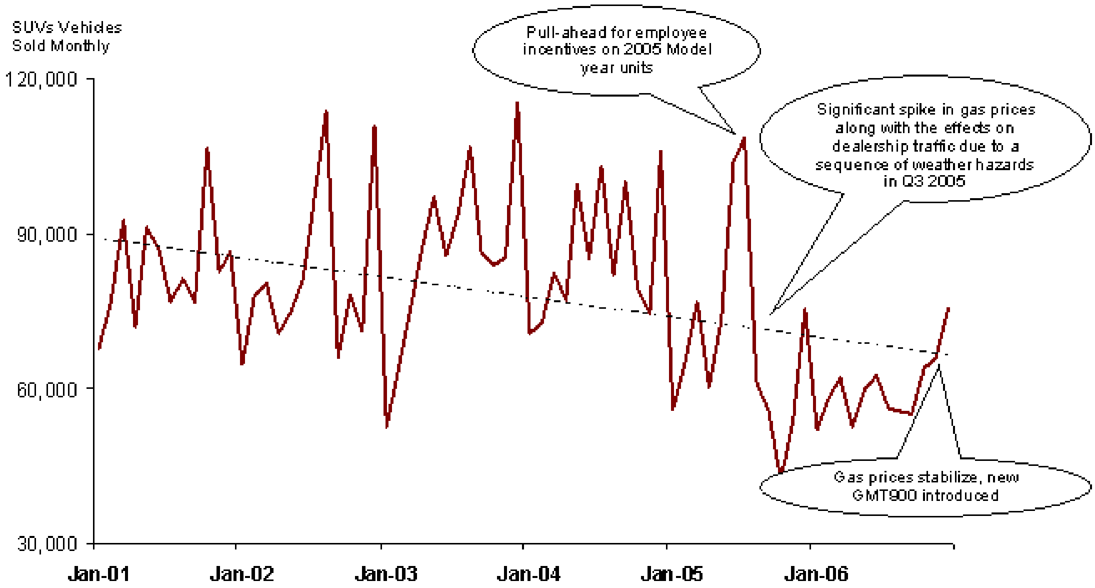
Monthly sales for Full Size Pickup segment show month-to-month variation, but a steady average volume



Note: (1) Auto sales tend to drop off during the winter months of December, January and February as consumers purchase and pay off holiday gifts
(2) Total incentive includes manufacturer's incentives to dealer including dealer cash and volume bonuses. Customer incentive is a promotion available to the end-customer. % calculation is of MSRP including dealer installed options. Incentives are sales weighted averages

Source: Wards Automotive, CNW

Model transition softened sales by Q3 2006 due to low demand for GMT800 as well as availability of new GMT900



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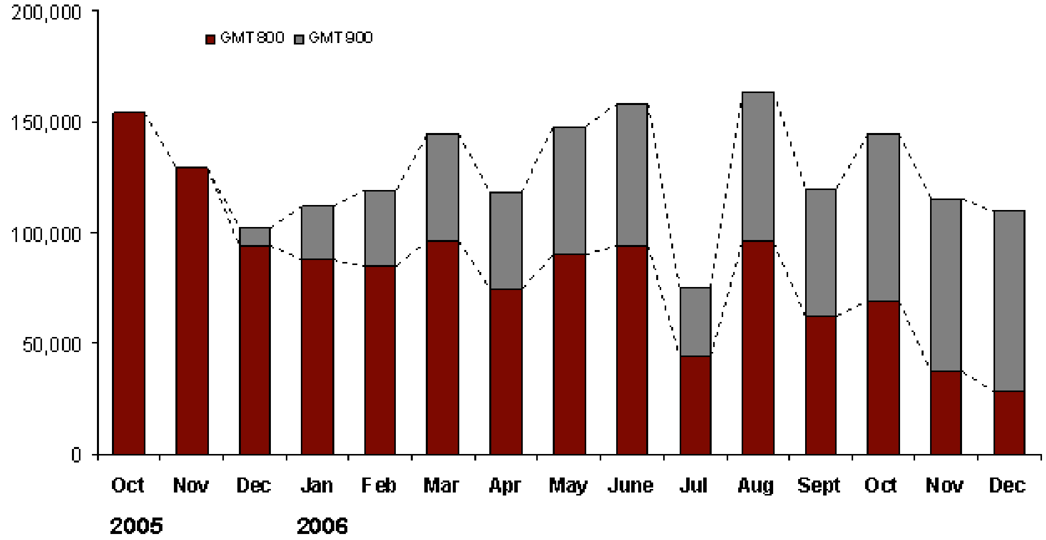
Source: Wards Automotive, CNW

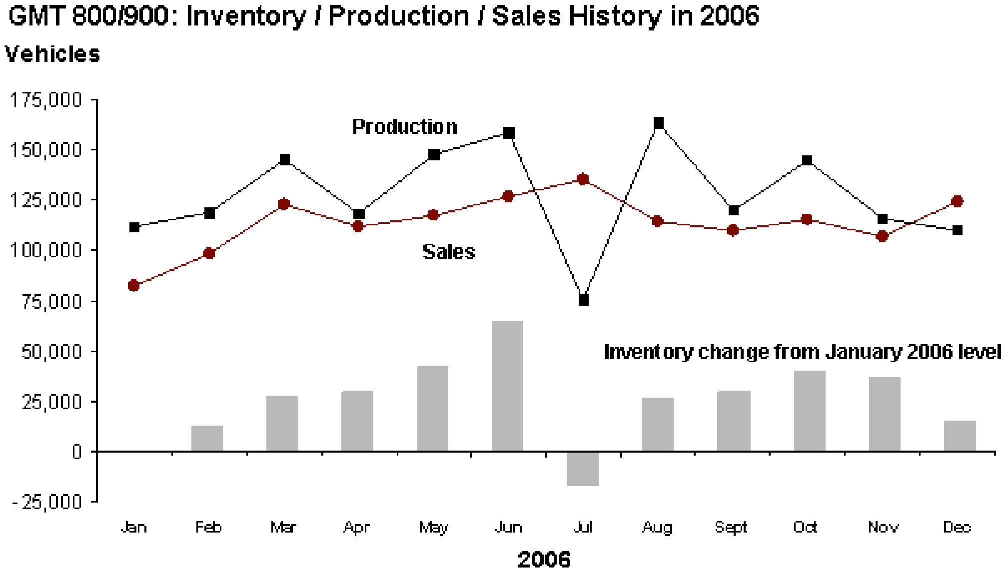
The production of GMT800 platform has ramped down since Q4-2005, as the GMT900 production ramped up

2006 Production Volumes: GMT800 and GMT900



Source: Ward's Automotive

Inventory for the GMT800/900 has been stable at 400K vehicles throughout 2006

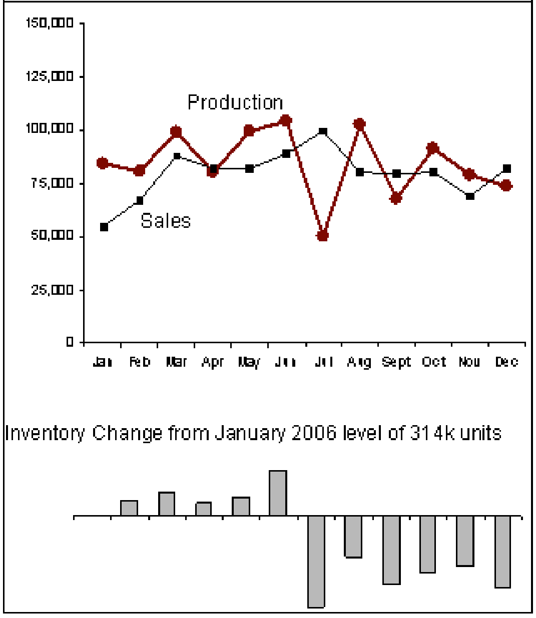


GM's intent in 2007 is to hold inventory levels at similar level from 2006

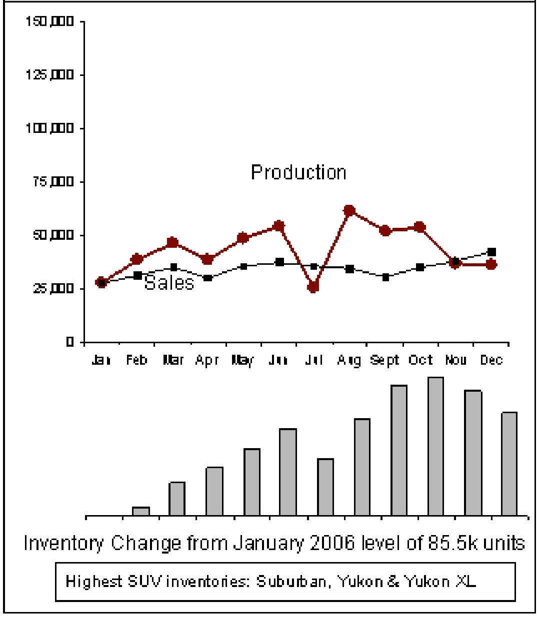
Source: Ward's Automotive, General Motors Corp. Sales Conference Call November 2006

GMT 800/900 monthly sales for 2006 reveal a slight up-tick in December; SUV inventories are higher at year end

Full Size Pick-up Trucks



Full Size SUVs



Source: Ward's Automotive

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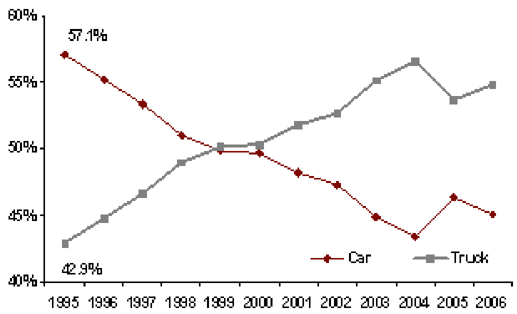
Major economic downturns can affect truck sales differently than total vehicle sales

Car vs. Truck US Market Share (1995 – 2006)



Impact of Economic Slowdown

1992 Recession

- Pickup truck sales fell by 12% year-over-year
- Single family home permits had also fallen by 40% year-over-year

2001 Events

- Total vehicle production fell 11% from 17.5MM in 2000 to 15.5MM in late 2001
- Pickup trucks sales in 2002 were down 5% compared to 2001

Source: Wards Automotive, IRN Research, J. D Power, A.T. Kearney Analysis

GMT 900 – Pickup and SUV - US Production

Make	Model	Global Segment	JD Power Segment	2003	2004	2005	2006	2007	2008
Cadillac	Cadillac Escalade ESV	SUV	High Luxury SUV				10,874	17,796	15,254
	Cadillac Escalade/EXV	SUV	High Luxury SUV	38,800	40,437	29,379	35,622	36,648	31,020
Chevrolet/Daewoo	Chevrolet Silverado	Pickup/Truck	Large Pickup	132,808	121,966	108,064	91,320	57,623	56,475
	Chevrolet Silverado	Pickup/Truck	Large Pickup	309,880	284,586	252,147	213,078	134,464	131,772
	Chevrolet Silverado HD	Pickup/Truck	Large Pickup	109,423	111,214	114,609	118,071	224,961	234,545
	Chevrolet Silverado HD	Pickup/Truck	Large Pickup	12,158	12,359	12,736	13,120	24,997	26,059
	Chevrolet Suburban	SUV	Large SUV	65,945	39,318	23,628	63,345	74,898	61,100
	Chevrolet Tahoe	SUV	Large SUV	232,843	191,541	138,059	187,709	180,873	165,367
GMC	GMC Envoy XL	SUV	Large SUV	50,114	41,171	33,520	5,880		
	GMC Sierra	Pickup/Truck	Large Pickup	37,844	38,723	35,741	28,963	19,599	18,645
	GMC Sierra	Pickup/Truck	Large Pickup	88,306	90,355	83,393	67,577	45,732	43,504
	GMC Sierra HD	Pickup/Truck	Large Pickup	39,397	42,659	43,851	43,307	86,513	93,139
	GMC Sierra HD	Pickup/Truck	Large Pickup	4,377	4,741	4,872	4,813	9,614	10,349
	GMC Suburban/Yukon XL/Denali XL	SUV	Large SUV	53,539	49,134	46,255	49,632	69,128	62,631
	GMC Yukon/Denali	SUV	Large SUV	105,062	98,166	72,794	90,303	80,213	76,409

Source: JD Power Sales Forecasts EIA DOE

GMT 900 – Large Pickups – Global Production

Region	Country	Marque	Model	2003	2004	2005	2006	2007
NORTH AMERICA	CANADA	Chevrolet/Daewoo	Chevrolet Silverado	70,577	28,554	17,361	12,987	64,829
			Chevrolet Silverado	164,678	66,623	40,514	30,302	151,264
			Chevrolet Silverado HD		118,071	149,592	131,230	
			Chevrolet Silverado HD		13,118	16,622	14,582	
		GMC	GMC Sierra	25,961	11,064	6,399	4,686	22,052
			GMC Sierra	60,579	25,812	14,927	10,933	51,447
			GMC Sierra HD		51,132	62,457	54,121	
			GMC Sierra HD		5,681	6,941	6,014	
	MEXICO	Chevrolet/Daewoo	Chevrolet Silverado	9,874	6,648	24,728	80,781	29,273
			Chevrolet Silverado		1,664	6,183	20,195	52,339
			Chevrolet Silverado HD		6,422	7,182	10,097	1,369
		GMC	GMC Sierra			3,506	13,677	9,084
		GMC	GMC Sierra			8,180	31,911	21,199
		Hummer	Hummer Pickup					
	USA	Chevrolet/Daewoo	Chevrolet Silverado	132,808	121,966	108,064	91,320	57,623
			Chevrolet Silverado	309,880	284,586	252,147	213,078	134,464
			Chevrolet Silverado HD	109,423	111,214	114,609	118,071	224,961
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			GMC Sierra HD	39,397	42,659	43,851	43,307	86,513
			GMC Sierra HD	4,377	4,741	4,872	4,813	9,614
SOUTH AMERICA	VENEZUELA	Chevrolet/Daewoo	Chevrolet Silverado	1,936	4,172	5,694	5,248	5,143

Source: JD Power

GMT 900 – Large SUVs – Global Production

Region	Country	Marque	Model	JD Power Segment	2003	2004	2005	2006	2007
NORTH AMERICA	CANADA	Chevrolet/Daewoo	Chevrolet Equinox	Low Medium SUV		126,621	158,552	129,468	115,668
		Chevrolet/Daewoo	Chevrolet Tracker	Low Medium SUV	41,978	4,543			
	MEXICO	Cadillac	Cadillac Escalade ESV	High Luxury SUV	16,154	18,420	11,887	1,234	
		Cadillac	Cadillac EXT	Low Luxury Pickup	10,617	10,537	6,349	9,867	10,895
		Chevrolet/Daewoo	Chevrolet Avalanche	Large Pickup	50,764	45,390	29,906	31,512	44,374
		Chevrolet/Daewoo	Chevrolet Avalanche	Large Pickup	50,764	45,390	29,906	31,512	44,374
		Chevrolet/Daewoo	Chevrolet Suburban	Large SUV	90,719	87,554	50,571	22,073	40,329
		GMC	GMC Suburban/Yukon XL/Denali XL	Large SUV	30,239	29,263	16,853	889	
EASTERN EUROPE	RUSSIA	Chevrolet/Daewoo	Chevrolet Tahoe	Large SUV		451	471	602	822
		Hummer	Hummer H2	High Luxury SUV		82	161	184	252
NORTH AMERICA	USA	Cadillac	Cadillac Escalade ESV	High Luxury SUV				10,874	17,796
		Cadillac	Cadillac Escalade/EXV	High Luxury SUV	38,800	40,437	29,379	35,622	36,648
		Chevrolet/Daewoo	Chevrolet Suburban	Large SUV	65,945	39,318	23,628	63,345	74,898
		Chevrolet/Daewoo	Chevrolet Tahoe	Large SUV	232,843	191,541	138,059	187,709	180,873
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		GMC	GMC Suburban/Yukon XL/Denali XL	Large SUV	53,539	49,134	46,255	49,632	69,128
		GMC	GMC Yukon/Denali	Large SUV	105,062	98,166	72,794	90,303	80,213
		Hummer	Hummer H2	High Luxury SUV	38,775	22,334	18,142	16,908	14,859
		Hummer	Hummer H2 SUT	Low Luxury Pickup		9,522	8,740	8,658	8,563

Source: JD Power

Seating Market Assessment

The Seating market operates differently across major geographic regions

North America OEMs	Europe OEMs	Asia OEMs

▪ Currently, completely outsourced
▪ Utilize "Complete Seat Supplier"
  ▪ Supplier is responsible for complete seat development and assembly
  ▪ Supplier has limited involvement in material sourcing
▪ Direct components to leverage volume across supply base and hedge risk to raw material adjustments
▪ Faurecia (Europe market leader) is steadily growing in this region, awarded GM, and new Sebring at Chrysler (2006 SOP)
	▪ European OEMs procure seating components and assemble in-house for about 16% (VW, DCX and BMW)
	▪ Components market is more fragmented
	▪ The European market still has a large portion of free sourcing of subcomponents, but there's a growing trend for mandated sourcing, including unbundling of components (mechanisms, foam)
		▪ Strong keiretsu relationships (Japanese OEMs)
		▪ Asian OEMs sourcing to JCI and Lear through JVs or acquisitions with Asian suppliers
		▪ Toyota
		  – Trim Masters (JCI / Toyota Boshoku JV)
		  – TISA (Lear / Toyota Boshuku JV)
		▪ Nissan
		  – Ikedo Bussan (acquired by JCI)
		  – TACLE (Lear / Tachi-S JV)
		▪ Honda
		  – SETEX (JCI/Taschi-S JV)

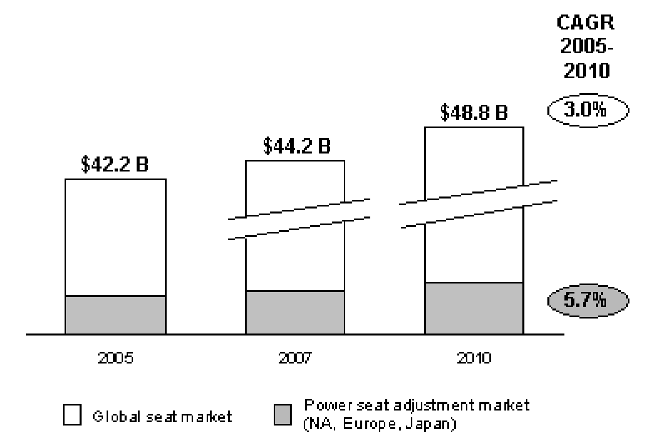
Insights

- No recent new entrants in the market – reputation and credibility with OEMs is important because of sizable and visible vehicle content
  - Faurecia increasing presence in the North American market
  - Relationships with current Japanese supply base required to supply Asian OEM seating
- More segmentation at the Tier II level

Source: Industry interviews; A.T. Kearney analysis

The global complete seat market is estimated to grow by approximately 3% annually between 2005 and 2010

The Markets for Seats and Powered Seat Adjustments (in US$ billion)



Growth Trends

- We estimate the seat support market to grow at least by 3% annually, based on the powered seat adjustment market growth
- The market for powered seat adjustment is growing faster than the global seat market
- Powered seat support products are likely to be utilized in powered seats, thus the market development for seat support is to follow that of powered seats

Source: JD Power; Just-Auto Seating report (2007); Automobil Entwicklung; A.T. Kearney analysis

Increased safety requirements and design innovation have put large emphasis on research and product development

Customer Trends

- OEMs are more receptive to innovative designs than other interior commodities
- OEMs are increasing more sequencing responsibility to suppliers, requiring establishing facilities close to OEM assembly plants (JIT plants)
- Although not yet for seats, OEMs are increasingly using 3rd party sequencing companies to supply JIT parts. These sequencing companies offer a higher labor arbitrage but have limited assembly capabilities

OEM Strategies

- Several OEMs (Ford, GM, PSA…) are enhancing their internal engineering capability
- Toyota has required JVs with its keiretsu for sourcing
- Nissan sold its keiretsu to JCI who had dominated its seating until recent JV between Lear and Tachi-S

Technology Trends

- Head restraints with impact countermeasures
- Thin profile structures
- Heating and Cooling Seat Modules
- Advances in rear seating
  - Folding mechanism
  - Easy Entry function
  - Reclining ability
  - Thin profile folding rear sear for functionality

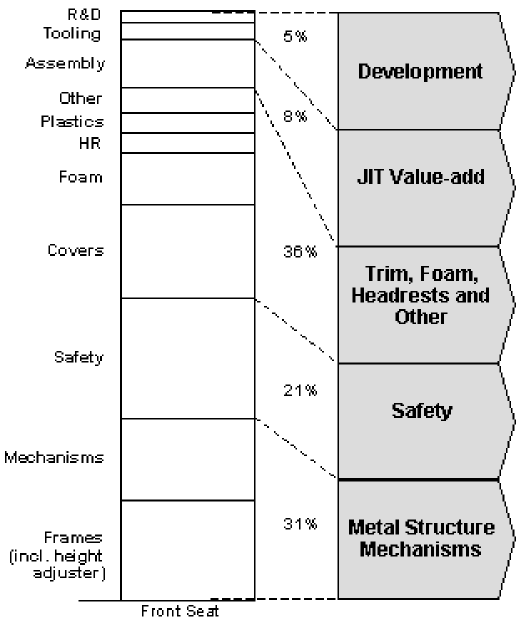
Safety / Integration

- FMVSS 202 – upgraded standard, mandatory September 1, 2008
  - Higher minimum height requirement for front seats
  - Limiting the distance between the back of an occupant's head and head restraint
  - Limiting the size of gaps and openings within head restraints,
  - Establishing new strength and dynamic compliance requirements
  - Amending most existing test procedures
  - Establishing requirements for head restraints voluntarily installed in rear outboard designated seating positions

Source: NHTSA; A.T. Kearney analysis

Growing trend is for complete seat suppliers to increase backward integration into metals and mechanisms

Front Seat Cost Structure



Supplier Key Competencies	Opportunities
• Supply management • Supply chain management • Development capabilities (award to SOP ~ 30 months)	• Focus R&D efforts on consumer demands (stow 'n go, lighter weight, etc) • Utilize common components to reduce development time and test costs
• Supply chain management • Trimming quality	• Go with a strategic partnership if supplying to low cost country OEM
• Cut and sew efficiency	• LCC opportunities – trim • Vertically integrate high margin components • Expand trim capabilities • Establish relationships with Studios
• OEMs direct sourcing components • Seat complete suppliers are not involved in the material sourcing; these items are just pass through	• Joint Venture • Acquisition
• Stamping	• Utilize common structure across multiple OEMs • Vertical integrate high margin components • Outsource small stamped parts

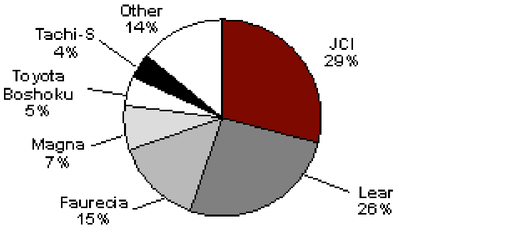
Source: Industry interviews, A.T. Kearney analysis

Seating Competitor Assessment

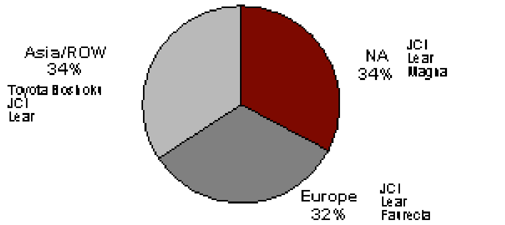
Segment Overview: Seating

Global Market 2006: $40 - $45 B

Segment Competitors



Geographic Distribution



Assessment of Top 5 Competitors[(1)]

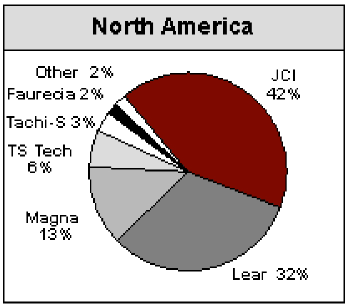
Supplier	Quality	Price	Differentiator
Lear	Hi	[*]	
JCI	Hi	[*]	▪ Technology leader
Faurecia	Mid	[*]	▪ Component leader
Magna	Mid	[*]	▪ Vertical integration

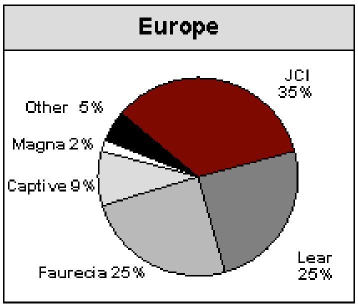
Manufacturing Processes

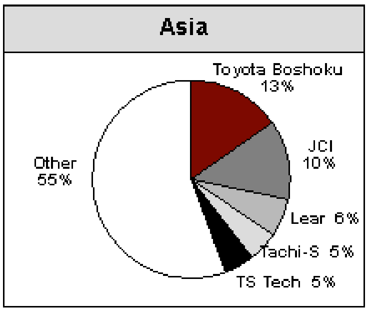
- Assembly
- Stamping
- Welding
- JIT sequencing
- Trimming
- Injection Molding

Note: (1) Assessment based on North American OEM industry interviews
Source: Lear internal data; Just-Auto; SupplierBusiness.com; A.T. Kearney analysis
[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

JCI is market leader in North America and Europe, while Toyota Boshoku has 13% of the fragmented Asian market







Source: Lear internal analysis

The Seat market is concentrated with JCI and Lear

Entry Barriers

- Reputation and credibility with OEMs is important because of sizable and visible vehicle content
- Requires high level of research and development capabilities
- With high directed content, excellent project management skills are required
- Sequencing experience is necessary
- Significant capital required along with need to be a low cost producer (supply chain management, sequencing, testing, ER&D)
- A new entrant would have to be a low cost producer along with significant expenditure on technology

Low → High

Supplier Power

- Design innovation is driven by suppliers
- Suppliers have strong relationship with OEMs
- OEMs are increasingly directing the buy of components
- Components represent nearly 80% of the price of the seat
- OEMs may source a common structure for use on several programs

Market Competition

- Market leader JCI and #2 Lear control 55% of market
- Increasing competition from Faurecia in North America
- Toyota Boshoku increasing share in North America through Lexus and Toyota programs
- Lower competition allows margins to vary from 5% to 9% on seats complete

Buyer Power

- Seat systems are 30-40% of the total interior cost
- Ford / GM are enhancing their internal design capabilities for seats
- OEMs require suppliers to be close to their facilities
- Limited buyers with OEMs holding significant leverage

Substitutes

- New Trim Materials will reduce demand for conventional fabric
- Higher safety requirements and fuel consumption targets are driving innovation on seat metal frame materials that will impact current steel frame suppliers

Source: A.T. Kearney analysis

Supplier / OEM Relationship: Seating

Seating Suppliers[1]

	Ford	GM	DCX	BMW	Fiat	PSA	VW	Hyundai	Honda	Nissan/ Renault	Toyota
JCI	✓	✓	●	✓	✓		✓	✓	✓	●	✓
Lear	●	●	✓	✓	●	✓	✓	✓		✓	✓
Faurecia	✓	✓	✓	●	✓	●	✓		✓	✓	✓
Magna	✓	✓	✓								
Toyota Boshoku		✓									●
TS Tech									●		

● Significant Supplier

OEM Strategic Trends

- **Focus on commodity sourcing (less system integration):** Primarily for the domestic NA OEM's to try to remove the system cost. Requires building internal systems capabilities
- **JIT facilities:** OEMs are increasing more sequencing responsibility to suppliers, requiring establishing facilities close to OEM assembly plants
- **OEM Internal Capabilities:** VW and BMW have product development and assembly capabilities. GM and Ford are strategically increasing their internal capabilities
- **Cost reductions:** Some OEMs have shifted focus to increased piece price analysis

Note: (1) Only major suppliers listed
Source: Supplier annual reports, Just-Auto Seating report (2007), Lear internal data, A.T. Kearney analysis

A.T. KEARNEY

New developments directly help OEMs create brand value by adding content or perceived quality to seats, highly visible items

Johnson Controls – New Product Developments	Lear – New Product Developments
▪ Sophisticated second and third row seating ▪ ComfortRenew system simulates a walking-like motion ▪ VibroTactile Massage seat combined with an anti-drowsiness alert system ▪ NeckShield protection system provides support to the head and upper body ▪ Open SeatingTM, allows easy storing of third row seating ▪ EZAxis Seating, improves and simplifies third row accessibility ▪ Smart Slide, enables quick, easy movement of 60/40 bench seating to provide access to third row area	▪ Active seat control system to provide lateral constraint for the driver while cornering ▪ Self-Adjusting Head Restraint System to prevent whiplash injuries ▪ FabricFoam material eliminates the need for seat covers ▪ Lear's Flexible seat architecture structure (LFMS) is a front seat structure with modular cross members and adjusters ▪ Lear is supplying Dodge Durango (HB), also with the reconfigurable seats with thin profile and stadium slide seat system

Faurecia – New Product Developments	Magna – New Product Developments
▪ Seats continue to be the focus of a great deal of R&D ▪ The "Soft Touch" provides tactile comfort due to graduated hardness ▪ HR21 polyurethane padding reduces vibration propagation, increasing seat life span ▪ Active lumbar support system and climate controlled seat ▪ Spinal CARE system to help protect against whiplash injuries	▪ Full interior integration ▪ Stow 'N Go Seating

Source: CSM Worldwide, Aroq, Misc. articles

Lear Positioning: Seating

Lear SWOT Analysis

Strengths	Weaknesses
▪ Relationships with practically all major OEMs, especially strong executive relationships at GM and Ford ▪ Global capability ▪ JVs in China resulting in new business in Asia and with Asian Automakers JVs established in China and LCCs ▪ Continuing expanding manufacturing footprint in LCC markets ▪ Niche Electronic knowledge to compliment seats ▪ Exited Interior business – positive cash flow, increase liquidity	▪ Product mix – [*] ▪ Inflexible culture and inability to deal effectively with changes in the industry ▪ Inability to effectively manage raw material costs ▪ Inability to pass through the rise in input costs

Opportunities	Threats
▪ Restructuring opportunities to eliminate excess capacity and reduce operating costs ▪ Improve strategic sourcing and product pricing ▪ Selectively increase vertical integration in high margin components – target acquisition of component suppliers	▪ OEMs moving away from full-service sourcing to individual component competitiveness ▪ Increased competition from relatively new entrants into North America (Faurecia – #1 seating supplier in Europe) ▪ Distractions caused by the JV negotiations ▪ Commercial or contractual disputes with customers, suppliers and unions ▪ JCI more diversified with building efficiency and power solutions

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Most growth from Tier 1 suppliers in Asia is through joint ventures with local suppliers

Examples of JVs with Established Local Asian Supplier	Lear is aggressively growing total Asian Business
■ Futuris Automotive Interiors ▪ Three seat systems for Chery Automotive ▪ JV – Air International (Futuris) 70%, Chinese Automotive Investment Group (20%), and Local Government Authority (10%) ■ Intier DAS Seating Systems ▪ Pursue production of complete seats and seating mechanisms ▪ 50/50 Joint Venture with Magna and DAS Korea ■ TACLE Guangzhoe Automotive Seat Co Ltd ▪ Supply seats to China Dongfeng Motor Co (Nissan) ▪ JV – Tachi-S (51%), Lear (40%), and Chinese Investment Firm (9%)	■ Lear is currently involved in 12 JVs in China ■ Lear has two wholly-owned subsidiaries in China ■ New Seating Awards in China for 2006 with Chery, Nanjing Auto, GM, BMW, Mazda, and Nissan ■ Previous Seating Awards with Chang'an Ford (Ford / Chang'an Automotive JV), Hyundai, BMW, Fiat / VW JV, Shanghai Automotive / GM JV, GM / Daewoo in South Korea, and Nissan (China, India and Thailand)

Source: 2005 just-auto.com report; A.T. Kearney analysis

Seating Competitor Profile

Competitor Profile: Johnson Controls (JCI)

Financial

Sales by Segment	Sales by Geography
• 2006 JCI Total: $32,235 MM (+17%) • 2006 Interior: $18.3 B (-3%)	• 2005 Interior NA Sales: $8.5 B • 2005 Interior Europe Sales: $8.9 B • 2005 Interior Asia Sales: $1.4 B
Operating Income by Segment	**Assets**
• 2006 Total: $1,282 MM (+20%) • 2006 Interior: $500 MM (-21%) – 2006 NA: $145 MM – 2006 Europe: $383 MM – 2006 Asia: ($28 MM)	• 2006 JCI Total: $21,921 MM – 2006 JCI Automotive: $9,359 MM • 2006 JCI Total PPE: $3,968 MM

Basic Facts & Recent Developments

- Three business units: Automotive Group, Building Efficiency, and Power Solutions
- 76,000 global Automotive Group employees
- Announced a restructuring plan in Q3 of FY 2006 and recorded a $197 million restructuring charge related to cost reduction initiatives mainly in its interior experience and building efficiency businesses; includes workforce reductions and plant consolidations; interior experience restructuring in NA will improve profitability of manufacturing and supplying instrument panels, headliners and other interior components
- 2006 cost reduction programs, purchasing savings and other operational efficiencies contributed approximately $253 MM in NA and $134 MM in Europe operating improvements

Customer Relationships

- Alfa Romeo, Audi, BMW, Citroen, DaimlerChysler, Fiat, Ford, General Motors, Jaguar, Honda, Lancia, Land Rover, Mazda, Mitsubishi, Nissan, Opel, Peugeot, Porsche, Renault, Rover, Saab, Seat, Skoda, Smart, Suzuki, Toyota, Vauxhall, Volvo, VW
- Awarded Ford seating supplier by Visteon's Chesterfield facility (Visteon exited its seating business in

Acquisitions/Joint Ventures

- Trim Masters is a joint venture between Johnson Controls, Toyota Boshoku and Toyota Tsusho that is based in Harrodsburg, Kentucky (2005 Sales $1,195 MM)
- Established 10 JV in China
- 11/20/06, announced 50/50 JV with China's Chery automotive. JV plant will be in Wuhu. Chrysler Group has agreed to distribute subcompact cars manufactured by Chery
- 2000, Acquired Ikeda Bussan (Nissan keiretsu seat supplier)

Products & Technology [1]

- Seating Systems (world's largest manufacturer of complete seats)
- Power Solutions (world's largest manufacturer of automotive batteries)
- MS (Master Plan Structure) seat frame, standardized seat frame used on about 80% of JCI seats
- Open Seating™, allows easy storing of third row seating
- EZAxis Seating, improves and simplifies third row accessibility
- Smart Slide, enables quick, easy movement of 60/40 bench seating to provide access to third row area
- Leap® Seat, uses patented technology from Steelcase's Leap high-performance office chair featuring three key areas: (1) Live Back™ system, contours seat to the individual without the need for manual adjustment, (2) Replicates the natural pivot point of the human body to optimize comfort, and (3) Natural Glide™ system allows the individual to change postures without affecting reach or visual orientation
- VibraTechTM Foam, materially enhanced foam providing superior performance characteristics (vibration dampening, thinner profile seating)

Geographic Footprint

- 255 global manufacturing locations for both business units
- Interior business unit has 55 plants in North America
  - US: 41
  - Canada: 7
  - Mexico: 7
- 5 technology centers
  - Plymouth, Michigan USA
  - Holland, Michigan USA
  - Burscheid, Germany
  - Pontoise, France
  - Ayase, Japan

Note: (1) Products & technology are only listed for Seating business unit
Source: JCI web site; JCI 2005 Annual Report; JCI News Releases; Ward's Autoworld March 2006, FactSet, Reuters

Competitor Profile: Faurecia

Financial

Sales by Segment	Sales by Geography
• Global Sales : €10,978.5 MM • Seating Sales: €4,794.4 MM • Interior Sales: €3,482.7 MM	• North America: 11% • Europe: 81% • Others: 8%
Sales Growth	**Operating Income**
• Global Sales : 1.4% • Interior Sales: -0.1%	• Global: $340 M (-33%)

Basic Facts & Recent Developments

- Leading French interior and exhaust systems supplier
- Focuses in 6 major modules: Seating, Door Modules, Cockpit Modules, Front End Modules, Acoustic and Exhaust Systems
- Seating - #1 in Europe, #3 Worldwide
- Spends 5.7% of 2005 sales on R&D
- Cockpits - 30% share of European market through its JV with Siemens
- Door panels – Leader in Europe, #2 in global market
- Renewed focus by cockpit JV to increase US sales of integrated cockpit modules
- Seven new US plants announced in Jan 2006 – new interior systems modules plants at Fraser & Sterling Heights, MI and Northwood, OH

Customer Relationships

- Supplies to Ford, GM, DaimlerChrysler, BMW and Volkswagen in North America
- New substantial contracts for Chrysler Sebring, Dodge Stratus and Jeep for door modules, interior trim, cockpit, seats and exhausts
- Won contract in July 2005 to supply HIM (High Integrated Modules) door modules for DaimlerChrysler

Acquisitions/Joint Ventures

- Acquired Sommer Allibert (including SAI Automotive) in 2001. SAI was the European leader in instrument panels and cockpits, door panels and modules, and acoustics

Products & Technology

- Cockpit Modules: airbags, air ducts, air outlets, instrument panels, metal cross bar beams, steering columns, storage facilities, door panels and complete door modules, acoustic materials and trim
- Seats, Exhaust Systems, and Front-End
- Innovative designs for door panels, IPs and consoles - PU cast polyurethane skin which enables an exact match of colors, materials and grains inside vehicle; IPs with greater rigidity, and higher resistance to impact, and innovative central consoles

Geographic Footprint (1)

- 28 R&D centers
- 160 global production sites in 28 countries
- Additions +15, 2006; +9, 2005; +10, 2004, -1 each year

Note: (1) Sales and operating income data is as at December 31, 2005
Source: Global Insight Report 2006; Facurecia web site,

A.T. KEARNEY

Competitor Profile: Magna

Financial		Basic Facts & Recent Developments
Sales by Segment	**Sales by Geography**	• Intier is one of the top 3 players in the Seating NA market • Three major divisions have been privatized in 2005: Tesma, Decoma, and Intier Automotive • External production sales to rest of the world increased 53% to $140MM • NA sales increased 18% to $9.8B in 2004 • Sales in Europe increased 25% to $4.7B in 2004 • Magna invested $848MM in fixed assets in 2005 • Magna closed several facilities during 2005 that were incurring losses during 2004
• 2005 Magna Total: $22.8 B • 2004 Intier Total: $5.5 B	• 2004 Intier NA Sales: $2.5 B • 2004 Intier Europe Sales: $1.5 B	
Operating Income by Segment	**Assets**	
• 2005 Magna Total: $942 M	• 2006 Intier Total PPE: $4.1 B	

Customer Relationships	Acquisitions/Joint Ventures
• Top 5 customers: DaimlerChrysler (25%), General Motors (20%), Ford (15%), BMW (18%) and Volkswagen (6%) • Other customers: Renault-Nissan, Fiat, Mitsubishi, Toyota and Honda • Extensive luxury car footprint that avoids volume price competition • Intier has been awarded seating business in Korea in 2005	• NVG has been acquired in 2004 • CTS (Car Top Systems) has been acquired in 2006, with 6 facilities in Europe and 2 facilities in NA (1,100 employees) • JV agreement to supply mirrors in India (2005)

Products & Technology	Geographic Footprint
• Seating Systems (In the European market, Intier has 3% market share). Complete Seats for VW Caddy, Chevy Cobalt and Equinox, Pontiac Pursuit, Mercury Mariner and Monterey, Ford Freestar – Stow-and-Go seats for DaimlerChrysler minivans • Seat Adjusters Third largest manufacturer of adjusting mechanisms in NA, with 15% market share. Mechanisms for Honda Accord and Pilot, Chevy Colorado, GMC Canyon • Interior Systems – Cockpits: Sidewall & Trim: door panels for BMW 1-series, 6-series, MB A-Class, Chevy Malibu, Cadillac STS – Overhead Systems: Cadillac STS, Chevrolet Equinox, Ford Freestar, Mercury Monterey – Integrated Interiors Cadillac SRX, except for seats Full interior integration for Cadillac CTS, GMT 900 are a strong competitive advantage – Cargo Management: BMW X3, MB A-Class – Floor Consoles – Closure Systems / Metal Body & Chassis / Mirror Systems	• Magna has 224 global manufacturing operations, and 60 product development and engineering centers • Intier has 74 global manufacturing locations, 15 product development, engineering and testing facilities • Major Intier's product development facilities: • United States: 2 • Germany: 1 • China: 1 • UK: 1 • Major Intier's manufacturing facilities: • United States: 7 • Canada: 7 • Mexico: 2 • Germany: 3 • UK: 2 • Czech Republic: 2 • Poland / China / Turkey / Spain: 1

Source: Magna 4th Quarter 2006 Results, Magna 2005 Annual Report

Competitor Profile: Toyota Boshoku

Financial

Sales by Segment	Sales by Geography
•2006 Total: $7,471 MM – Interiors: $6,700 MM – Filtration/Powertrain: $572 MM – Textiles: $198 MM	•Japan: 62% •Americas: 26% •Other: 12%
Operating Income by Segment	**Assets**
•2006 Total: $287 MM	•Total Assets: $3,377 MM •Net Property: $1,240 MM

Basic Facts & Recent Developments

- Enterprise of Toyota Motor Group
- July, 2006: established Toyota Boshoku Canada, Inc. to manufacture and market seats and interior components
- July, 2003: established Master Trim de Argentina S.R.L. to manufacture and market seats and interior trim in South America
- October, 2003: established Toyota Boshoku Australia to manufacture and market seats and interior components in Australia
- June, 2001: established ARJ Manufacturing, L.L.C. to manufacture and market seats and interior components
- May, 2001: Established Toyota Boshoku America, Inc. – Development, Design and marketing of interior components

Customer Relationships

- Toyota
- Largest supplier of seats to Toyota

Acquisitions/Joint Ventures

- Trim Masters is a joint venture between Johnson Controls, Toyota Boshoku and Toyota Tsusho that is based in Harrodsburg, Kentucky (2005 Sales $1,195 MM)
- Total Interior Systems – America (TISA) is a joint venture with Lear
- October, 2004: Acquired Araco Corporation's automotive interior division and with Takanichi Co., Ltd.

Products & Technology

- Seats (Relax Cabin Seat – Toyota Estima; Seat Relaxation System – Lexus LS460; Precrash Intelligent Headrest)
- Interiors (Door Trims, Floor Carpets, Headliners, SRS Airbags, Dash Silencers, Seat Belt Webbing)

Geographic Footprint

- 82 subsidiaries and affiliates
- Seating has 42 manufacturing locations
  - Japan: 11
  - China: 10
  - Rest of Asia: 9
  - Americas: 7
  - Other: 5

Note: (1) Financial data is as at March 31, 2006
Source: 2006 Toyota Boshoku Annual Report.

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Competitor Profile: Tachi-S Co. Ltd

Financial

Sales by Segment	Sales by Geography
• 2006 Total Sales: $1,794 MM – 2006 Passenger Car Seating Sales: $1,644 MM	• Japan: 59% • North America: 41%
Operating Income by Segment	**Assets**
• 2006 Total: $26.3 MM	• Total Assets: $902 MM • Net Property: $235 MM

Basic Facts & Recent Developments

- 3,709 Employees
- Tachi-S Trim Guangzhou, wholly owned company to manufacture and sell automotive seat trim in China
- 11/2006, Notice of Business Collaboration with Kasai Kogya Co., Ltd. (interior door trim supplier) to investigate benefits of joint process development, mutual outsourcing of production and joint uses of facilities and equipment
- 2005, established Tachi-S Trim Guangzhou Co., Ltd. To manufacture sewn automotive seat components in China

Customer Relationships

- Nissan, Toyota, Honda, Isuzu, Mitsubishi and Suzuki

Acquisitions/Joint Ventures

- 2005, Fuji Autotech Guangzhou Co., Ltd. In Guangzhou, China
- 2005, TACLE (51% Tachi-S/49% Lear JV) to supply seats to Nissan. Locations in Sunderland, U.K.; Smyrna, TN; and Guangzhou, China
- 2004, SETEX (51% Tachi-S/49% JCI JV) to supply seats to Honda in Shelburne, Ontario
- 2004, Fuji Autotech U.S.A. LLC (Fuji Kiko 66%/Tachi-S 34% JV) to supply mechanical component parts for automotive seats in Walton, KY

Products & Technology

- Seats
- Strengths in frame processing and sewn product processing technologies

Geographic Footprint

- Corporate Headquarters – Tokyo, Japan
- 8 Technical Center and Plants in Japan
- 28 subsidiaries and affiliates
  - Japan: 11
  - China: 6
  - North America: 9
  - Europe: 2

Note: (1) Financial data is as at March 31, 2006
Source: Tachi-S website, 2006 Tachi-S Annual Report

Electrical / Electronic Market Assessment

Lear's Electronic and Electrical business participate in two distinct markets

	Typical Products	Core Competencies	Market Characteristics
Electronic	▪ Electronic Modules – Body Control – Interior displays and controls ▪ Wireless – TPMS – RKE – Immobilizer	▪ Design Capabilities – Software – Hardware – RF ▪ Manufacturing – PCB Assembly – Functional Test	▪ Broad range of products – Body Control – Security and Safety – Powertrain – Entertainment ▪ Large Global Players ▪ Standardization is high due to required investments
Electrical	▪ Electrical Distribution – Wiring – Connectors – Terminals ▪ Junction Boxes – Relay Boxes – Smart Junction Boxes	▪ Systems Engineering – System design – Program and Change management ▪ Manufacturing – Low Cost Labor – Change Management	▪ Highly fragmented by product function and supplier expertise ▪ Cost competitive market ▪ U.S. and Japanese suppliers dominate markets ▪ Large Global Players ▪ Trend towards less system integration and more commodity sourcing

Source: Supplier websites, Lear Electrical Systems Division report (2007), A.T. Kearney analysis

Global markets have distinct differences which offer Europe and Asia suppliers technology advantages

	North America	Europe	Asia
OEM Buying Trends	▪ Modules have been integrated to reduce proliferation of controllers ▪ OEMs have shed in-house capabilities, but some are moving away from sourcing integrated systems	▪ European OEMs lead the technology curve ▪ They maintain tight relationships with preferred suppliers	▪ Keiretsu relationships have maintained strength of local suppliers
Market Competition	▪ Traditional European suppliers have brought technology to the U.S. market	▪ Large European players lead in technology development globally	
Technology	▪ North American markets are followers to other market areas	▪ Europe leads in safety and electrical architecture development and commercialization	▪ Japan market leads in multimedia technology

Geographic Market Insights
▪ Technology leaders in Europe and Asia gain capability advantages in the N.A. market
▪ Tight relationships in Europe and Asia with suppliers and OEMs limit growth in those markets to U.S. suppliers
▪ Increased emphasis on building component skills and capabilities

Source: Just-Auto Electrical Wiring Systems report (2006), Lear Electrical Systems Division Report (2007), A.T. Kearney analysis

Electronic and Electrical markets have varied margin and growth potential

- **Electronic & Electrical**
  - **Electrical Distribution Systems**
    - Wire Harnesses
    - Connectors & Terminals
    - Junction Boxes (incl SJB's)
  - **Interior Control & Entertainment**
    - Switches
    - Door/Seat Control Modules
    - Entertainment Systems
  - **Wireless Systems**
    - Tire Pressure
    - Security

	Wire Harnesses	Connectors & Terminals	Junction Boxes (incl SJB's)	Switches	Door/Seat Control Modules	Entertainment Systems	Tire Pressure	Security
Market Size ($B)	$17 B	$9 B	$29 B			$15 B	$3 B	
Annual Market Growth	3-4%		6-8%			10-12%	20%	6%
Typical Operating Margins (%)	[*]		[*]	[*]	[*]	[*]	[*]	[*]

Competitor Portfolios

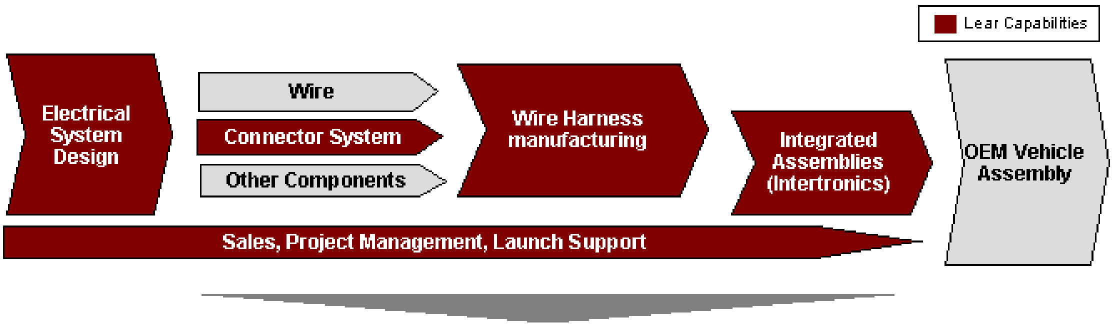
	Wire Harnesses	Connectors & Terminals	Junction Boxes (incl SJB's)	Switches	Door/Seat Control Modules	Entertainment Systems	Tire Pressure	Security
Delphi								
Denso								
Yazaki								
Valeo								
Bosch								

Source: Supplier websites, annual reports and SEC filings; Just-Auto Electrical Wiring Systems report (2006), Strategy Analytics report on Automotive Electronics (2004), A.T. Kearney analysis; Lear Electrical Systems Division Report (2007)

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

The value chain for Electrical is dominated by the labor intensive manufacturing process

Illustrative



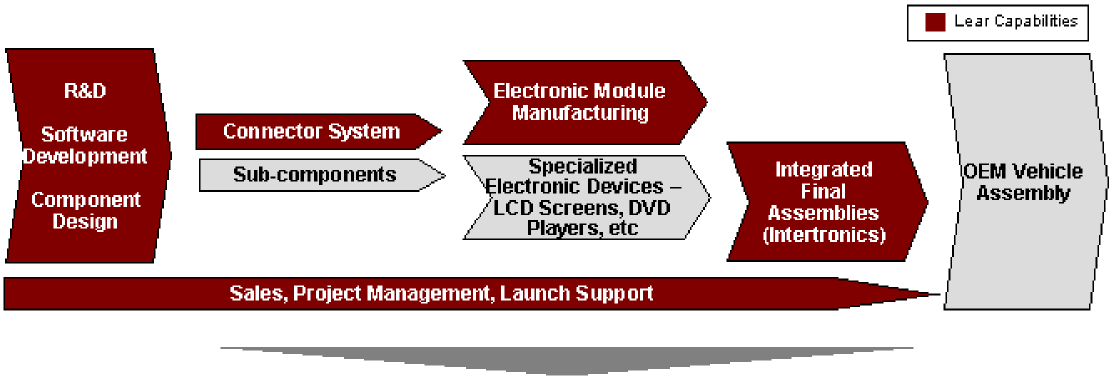
Value Chain Insights

- Manufacturing Labor and Raw Material costs are significant cost drivers with few opportunities for differentiation
  - Manage raw material (primarily wire/copper) contracts to hedge against market price increases
  - Conduct manufacturing in LCC locations due to high manual labor content (approx 50% of cost)
- Key supplier competencies include strong project management and electrical system capabilities
- Electrical System integration (wiring, SJB, system design) is required capability for most wiring harness suppliers
- Some OEM's are moving away from purchasing fully integrated assemblies, preferring to build these capabilities in-house

Source: A.T. Kearney analysis

Electronics relies on automated manufacturing equipment and product development expertise

Illustrative



Value Chain Insights

- Manufacturing complexity varies based on the electronic product function
  - Opportunity to decrease manufacturing costs through LCC sourcing provided that critical technology capabilities can be supported
- Key competencies include software development capability and engineering expertise

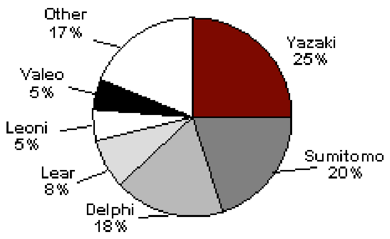
Source: A.T. Kearney analysis

Electrical / Electronic Competitor Assessment

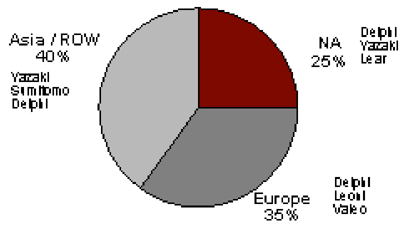
Segment Overview: Electrical Distribution Systems

Global Market '06: $21 B
NA Market: $5 B

Segment Competitors (Global)



Geographic Distribution



Top 5 Competitors - Portfolios

	Harness Assembly	Wire	Connectors	Junction Boxes
Lear	✓	-	✓	✓
Yazaki	✓	✓	✓	✓
Sumitomo	✓	✓	✓	✓
Delphi	✓	✓	✓	✓
Leoni	✓	✓	-	-

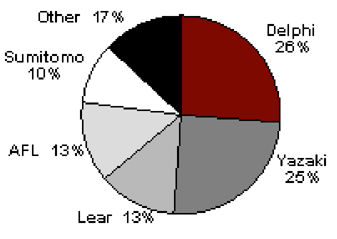
Manufacturing Processes

- Labor intensive harness assembly typically done in low cost countries
- Capital investment required for terminal and connector component manufacturing and for terminal crimping equipment
- Smart Junction Box manufacturing is similar to the electronics segment – components are placed on circuit boards using automated, high-speed equipment

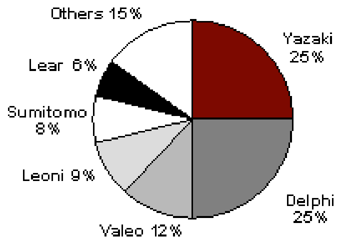
Source: Company annual reports; Just-Auto Electrical Wiring Systems report (2006), A.T. Kearney analysis, Lear Internal documents

Regional Market Share: Electrical Distribution

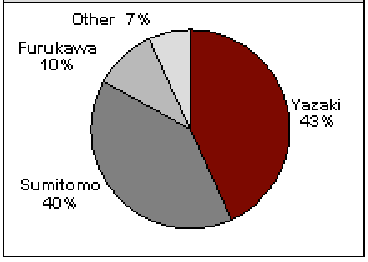
North America



Europe



Asia



Implications

- Suppliers with varying market positions in each region create opportunity for partnerships or acquisitions to increase global scale and gain access to new OEMs
- Recently evidenced by Sumitomo's acquisition of Volkswagen's captive wiring division in order to gain share in the European market (sale completed in 2006)
- In addition to complementary regional focus, suppliers may look to form partnerships in order to gain access to technological innovations or to build capability

Source: Just-Auto Electrical Wiring Systems report (2006), A.T. Kearney analysis

Manufacturing Footprint: Electrical

Electrical Manufacturing Locations
(number of locations shown per region)

	Mature Markets			Low Cost Countries				
	US/ Canada	**Europe**	**Japan/ Korea**	**Mexico & Latin America**	**Eastern Europe**	**China**	**Other Asia**	**LCC Presence**
Lear[1]	2	10		16	8	4	2	◕
Yazaki	4	1		6	4	4	11	●
Sumitomo	7	7	1	4	6	6	13	◕
Valeo		14			8			◔
AFL	4	4		7	4			◑

In addition to manufacturing wire harnesses in LCC, suppliers should evaluate transferring engineering to LCC as well

Note: (1) Lear's current restructuring plan will impact the distribution of manufacturing sites
Source: Just-Auto Electrical Wiring Systems report (2006), A.T. Kearney analysis, Lear Internal documents

A.T. KEARNEY

Electrical Distribution market analysis suggests several strong influences with OEM's still holding leverage

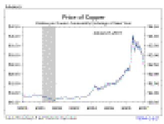
Low → High

Entry Barriers

- Labor intensive harness assembly has low barriers to entry
- Integration of design, systems and smart junction box capabilities creates a significant barrier to entry
- New entrants may not have program management capabilities

Supplier Power

- Limited number of terminal and connector suppliers, some captive to other competitors
- Copper (commodity) is key input (prices have been risen recently)



Market Competition

- Dominated by a few large players who can provide an combination of components, wire harness, and systems expertise
- Suppliers tend to form long-term relationships with OEM's

Buyer Power

- Limited buyers with OEM's holding significant leverage
- Asian Transplants are starting to use North American suppliers and receive aggressive pricing to gain customer relationships

Substitutes

- Few alternatives to wire systems available
- Increases in multiplexing, wireless and flat wire harnesses could lead to decline in traditional market

Source: A.T. Kearney analysis

Supplier / OEM Relationship: Electrical

Work in Progress

Electrical/Electronic Suppliers[1]

	Ford	GM	DCX	BMW	Fiat	PSA	VW	Hyundai	Honda	Nissan/ Renault	Toyota
Yazaki	**✓**		**✓**							**✓**	**✓**
Sumitomo	✓	✓					**✓**		**✓**	✓	✓
Delphi	**✓**	**✓**	✓								✓
Lear	**✓**	**✓**	✓	✓			✓	✓	✓		
Leoni (INTEDIS)	✓	**✓**	**✓**	**✓**			✓				
Valeo	✓	**✓**	**✓**	✓	✓	**✓**	**✓**	✓	✓	**✓**	✓

✓ Significant Supplier

OEM Strategic Trends

- **Integration at the supplier:** General trend toward more electrical systems integration by the supplier to increase overall savings, evidenced by comments from management at Yazaki and INTEDIS (JV between Leoni wiring and Hella electronics) in recent interviews
- **Volkswagen sale:** VW completed the sale of its wire harness component division to Sumitomo in 2006, suggesting that maintaining this capability is not essential to their ability to compete
- **Some OEMs are focusing on component sourcing (less system integration):** Primarily for the domestic NA OEM's to try to remove the system cost. Requires building internal systems capabilities. OEM's shift focus to minimizing commodity piece price

Note: (1) Only major suppliers listed
Source: Supplier annual reports, Just-Auto Electrical Wiring Systems report (2006), Lear Electrical Systems Division Report (2007), A.T. Kearney analysis

Market Trends and Innovation

Demand Trends	Key Innovation
▪ OEMs are encouraging more innovation from tier-1 suppliers, using new technology developed at suppliers to reduce their own OEM R&D costs ▪ Safety features (electronic stability control, passive safety, etc.) will drive higher electronic content ▪ Ten years ago, half of the current EE content wasn't available. As innovation becomes high volume, cost and weight reduction pressure is prevalent. ▪ Consolidation / reduction of electronic modules to enable cost reduction ▪ Demand for radio frequency based technology is expected to increase ▪ Hybrid and electric vehicle development is on the rise to support fuel and emissions reduction	▪ Alternative solutions to the traditional wire harness are emerging: - Extended use of multiplexing - Fiber-optics - Flexible printed circuit boards - Wireless communication between modules/sensors ▪ AUTOSAR – a standard, secure data transfer protocol is being developed in electronics enhancing systems reliability, but potentially commoditizing more of the product offering ▪ High-voltage wiring and components capable of supporting hybrid and electric vehicles

Source: Just-Auto Electrical Wiring Systems report (2006), A.T. Kearney analysis

Emerging Markets Presence

- **Lear**
  - Aggressively growing total Asian Business
  - Lear operates in four manufacturing sites in China through JV or acquisition
    - Wuhan, Shanghai, Nanjing, and Chongquing
- **Sumitomo Wiring**
  - Currently in China, Vietnam, Malaysia, Hong Kong, Philippines, Indonesia, India, the UK, Brazil, Thailand, Mexico, Eastern Europe and the US
  - Fuzhou Zhu Wiring Systems opened in China to produce wiring harnesses in July 2006, 1500 jobs
  - SDL Logistics company in Hui Zhou, China to support Sumitomo's 14 subsidiaries in China
  - SWES Asia Technical Center Automotive wiring harness design and development center in Bangcock, Thailand
- **Yazaki**
  - First established manufacturing presence in China in 1998 – wiring harnesses. Now has four facilities in China
  - Also has presence in the Philippines, Thailand, Taiwan, and Indonesia. In Eastern Europe has production in Slovakia, Turkey and the Ukraine.
- **Delphi**
  - Formed a JV with Furukawa to develop and manufacture electrical and electronic distribution systems to Toyota
- **Valeo**
  - 17 manufacturing sites in Europe
  - Formed JV with Furukawa Electric to develop wiring harness business. Headquartered in France, with offices in Japan, China and North America

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006); A.T. Kearney analysis, Lear Internal documents

A.T. KEARNEY

Lear Positioning: Electrical Distribution

Lear SWOT Analysis

Strengths

- **Complete System Solution**
  - electrical distribution – wiring, smart junction box, systems integration
- **Vertical Integration Already Initiated**
  - Leverage in-house connectors / terminals business
  - Proprietary integration of wiring / electronics with seat (Intertronics)

Weaknesses

- **Excessive Domestic Big 3 Exposure**
  - Large portion of current business tied to declining vehicle lines
- **Margin Pressures**
  - Historically, insufficient design and productivity advances to keep pace with OEM price reductions
- **Component Capabilities**
  - Limited capability in design/manufacturing, wire, and other harness components

Opportunities

- **Electrical Content Growth**
  - Market continues to demand more electrical content offsetting decrease in wires per feature
- **Lower Costs**
  - Pursue higher percentage of manufacturing and sourced components from LCC
- **Asian OEMs**
  - Expand existing business relationships with Asian OEMs – Nissan, Honda
  - Opportunity for supplier market consolidation

Threats

- **Higher Raw Material Costs**
  - New materials driven by environmental regulations, package constraints
  - Copper commodity prices
- **Competitor Entrants:**
  - Established Asian/Europe companies coming to NA: Sumitomo, Leoni

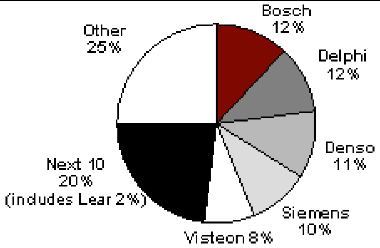
Source: A.T. Kearney research and analysis

Segment Overview: Electronics

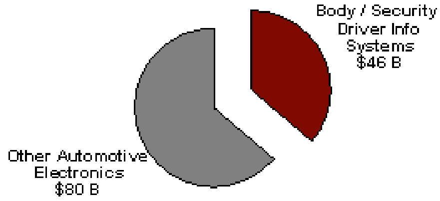
Preliminary

Global Market 2005: $126 B

Segment Competitors (Global)



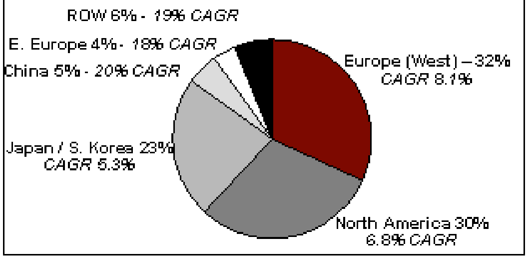
Body / Security / Driver Info Systems



Top Competitors for Lear's Portfolios

	Body Electronics	Wireless Systems	Driver's Info	Entertain-ment
Lear	✔	✔	✔	✔
Bosch	✔	✔	-	-
Delphi	✔	✔	✔	✔
Denso	✔	-	✔	-
Siemens	✔	✔	✔	-

Regional Distribution & Growth[1]



Note: (1) Based on vehicle production location
Source: Company annual reports; Strategy Analytics industry report (2004); A.T. Kearney analysis

Electronics market forces vary depending on the product segment, with higher growth categories earning better margins

Entry Barriers

- Significant investment in upfront development capabilities
- Re-use of components reduce new business opportunity frequency
- Technology from adjacent industries offer opportunities for new players

Low → High

Supplier Power

- Semiconductor suppliers are typically sole sourced and have pricing power
- PCB suppliers are Asian-sourced and can be competitive with available capacity
- Passive components increase dramatically in price with limited market capacity

Market Competition

- Competition is heavy for market share with major players moving to fill capacity
- Contract manufacturers create an over capacity situation within the manufacturing market
- Technology capability is a differentiator within market

Buyer Power

- Promise of long contracts increase buyer power
- Increasing demand of electronics is increasing leverage of OEMs

Substitutes

- No product substitutes are typically available
- Technology changes may shift traditional products within segment

Source: A.T. Kearney analysis

Lear Positioning: Electronics

Lear SWOT Analysis

Strengths

- **Product in Growth Segments**
  - Offerings in high growth segments – infotainment, tire pressure monitoring, passive entry
- **Electronics Expertise**
  - Leverage expertise in manufacturing, software development and validation for new products

Weaknesses

- **Domestic Big 3 Exposure**
  - Large portion of current business tied to declining vehicle lines
- **Small Scale**
  - Insufficient scale in some segments may prevent competing with market leaders
- **Reputation/Brand**
  - Need to build reputation in fastest growing segments – entertainment and driver info

Opportunities

- **Electrical Content Growth**
  - Market continues to demand new features and increase in existing features as standard
- **Leverage Existing OEM Relationships**
  - Utilize product offerings on BMW and others to showcase capabilities for future sales

Threats

- **Rapid Changes in Technology**
  - Shifts in technology or public demand may lead to new investment
- **Higher Raw Material Costs**
  - New materials driven by environmental regulations

Source: A.T. Kearney analysis

Electrical / Electronic Competitor Profiles

A.T. KEARNEY

Competitor Profile: Alcoa (AFL)

Preliminary

Financial

Sales by Segment	Sales by Geography
• Engineered Solutions: $5,048 MM	• Not available
Operating Income by Segment	**Assets**
• Engineered Solutions: $196 MM	• Not broken out by division in financial statements

Basic Facts & Recent Developments

- Engineered Solutions: This segment includes titanium, aluminum, and super-alloy investment castings; forgings and fasteners; electrical distribution systems; aluminum wheels; and integrated aluminum structural systems used in the aerospace, automotive, commercial transportation, and power generation markets

Customer Relationships

- Ford: Expedition/Navigator, Superduty, Land Rover (Europe)
- GM: Corvette
- Volkswagen (Europe): VW, Audi, SEAT, Skoda
- Peugeot (Europe)

Acquisitions/Joint Ventures

- Not available

Products & Technology

- AFL designs, validates and manufactures complete automotive electrical systems. Core competencies include high volume, low cost assembly, precision injection molding and metal stamping.
- Key products include wiring harness assemblies, battery cables and components, connectors, terminals, bulk cable, conduits, retention devices, electrical distribution centers, and custom and build to print electronic assemblies

Geographic Footprint

- US
- UK
- Honduras
- Mexico
- Canada
- Belgium
- Ireland
- Czech Republic
- Germany
- Hungary
- Portugal
- Romania

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006)

A.T. KEARNEY

Competitor Profile: Delphi

Preliminary

Financial [3]

Sales by Segment	Sales by Geography
• Dynamics, Propulsion, Thermal & Interior: $11.8 B (-7%) • Electrical, Electronics & Safety: $13.1 B (-4%)	• North America: $18.3 B (-7%) • Total: $26.9 B (-6%)
Operating Income by Segment	**Assets**
• Dynamics, Propulsion, Thermal & Interior: $(1,282) M (-1055%) • Electrical, Electronics & Safety: $371 M (-57%)	• North America Net Property: $3.0 B (-4%) • Total Net Property: $5.1 B (-14%)

Basic Facts & Recent Developments

- Headquarters in Troy, Mich., USA, Paris, Tokyo and São Paulo, Brazil
- 2 business sectors: Dynamics, Propulsion, Thermal & Interior Sector and Electrical, Electronics, & Safety Sector
- Delphi has approximately 177,000 employees
- Delphi and U.S. subsidiaries filed voluntary petitions for reorganization under chapter 11. The restructuring plan includes these steps:
  - Modify its U.S. labor agreements
  - Conclude negotiations with GM to finalize its financial support for the legacy and labor costs and to ascertain its commitment to Delphi
  - Streamline its product portfolio and align manufacturing footprint
  - Transform its salaried workforce to ensure that its structure is aligned with its product portfolio and manufacturing footprint
  - Find a workable solution to the company's current pension situation

Customer Relationships [3]

- 47.7% of Sales are to GM
- GM North America content per vehicle for 2005 was $2,326
- Sales to four other major global vehicle manufactures exceed $850 million: Ford, DaimlerChrysler, Renault/Nissan, and VW Group
- Ford Preferred Supplier[2]

Acquisitions/Joint Ventures

- 39 joint ventures
- Sold battery business to JCI in 2005

Products & Technology [1]

- Delphi takes an entire systems approach. This approach covers virtually all aspects of E/EDS:
  - Power distribution
  - Circuit protection
  - Electrical/electronic functions
  - Signal processing
  - Sensing/switching

Geographic Footprint

- 303 sites in 34 countries throughout the world, including manufacturing facilities, technical centers, customer centers and sales offices as of December 31, 2005
- 33 were owned and 55 were leased in the U.S. and Canada
- 35 were owned and 16 were leased in Mexico

Note: (1) Products & technology are only listed for Electronics business unit
(2) Ford is concentrating collaboration for 20 key areas including IP and trim so they can offer higher volume longer-term contracts
(3) Financial results are for the year ended December 31, 2005

Source: Delphi web site (information accurate as of June 30, 2006), Global Insight, Delphi 2005 10-K

Competitor Profile: Leoni

Preliminary

Financial

Sales by Segment	Sales by Geography
• Wiring: EUR 879.4 MM (2005) • Growth 2006 (Q1-Q3): 9.9%	• Overall: 45% Germany, 33% other EU, 22% ROW
Operating Income by Segment	**Assets**
• Overall: EUR 61.4 MM (2005) • Margin: 7.0%	• PP&E: EUR 336 MM • Total assests: EUR 1,053 MM

Basic Facts & Recent Developments

- The Wiring Systems Division is expanding its business especially with existing customers in the automotive industry and is working on gaining additional business from new customers in Europe, yet particularly so in the United States and China.

Customer Relationships

- BMW: 1 Series; 3 Series
- DCX: Mecedes: A, B, E Class, CLK, CLS, SL, SLR
- GM: Opel/Vauxhall: Astra, Zafira
- VW: Golf 5, Passat; Skoda; Bentley
- Ford: Land Rover
- Porshe: 911, Boxster, Cayman

Acquisitions/Joint Ventures

- Intedis is a joint venture in which LEONI and Hella KG Hueck & Co, Lippstadt each own a 50 share. LEONI contributes its wiring systems know-how, and Hella is the electronics expert.

Products & Technology

- LEONI develops and supplies
- Complete wiring systems including integrated electronics
- Conventional cable harnesses
- Preformed cable harnesses
- Cable harnesses using flat cable technology
- Cable assemblies for ABS, EPS and other vehicle safety systems
- Battery cables
- Wiring system components (cable leadthroughs, cable ducts,
- Fasteners, mounts, fuse boxes, etc.)
- Electronic components (controllers)
- Prefabricated modules (inside roof linings, door modules, etc.)

Geographic Footprint

- Germany
- Kitzingen
- Lilienthal
- Neuburg/Gruenau
- Brake
- UK
- Slovakia
- Poland
- Hungary
- Rumania
- Ukraine
- Portugal
- Egypt
- Tunisia
- South Africa
- USA
- Mexico
- Brasilien
- China

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006)

A.T. KEARNEY

Competitor Profile: Sumitomo

Preliminary

Financial

Sales by Segment	Sales by Geography
• Electrical (Wiring): $5 B (2006) • 20% Global Share	• Not available
Operating Income by Segment	**Assets**
• Electrical (Wiring): 5.9% margin; $300 MM	• Not broken out by division in financial statements

Basic Facts & Recent Developments

- Three significant developments are taking place in the business environment within which Sumitomo Electric's Automotive segment operates:
- (1) Various automakers are launching so-called global strategy vehicles and therefore, are building global platforms for global component sourcing
- (2) Environmental regulations have become stricter regarding automobiles in many countries, thus raising demand for environmentally-friendly automobile components
- (3) Safety, comfort, compactness, and light weight are becoming increasingly critical factors in the field of automobiles

Customer Relationships

- GM: Equinox
- Ford: Ford GT
- Honda: Civic (Europe)
- Nissan: Micra, Note (Europe)
- Toyota: Yaris (Europe)

Acquisitions/Joint Ventures

- The major German wiring harness maker, Volkswagen Bordnetze GmbH, was acquired in March 2006 to increase the SEI Group's presence in Europe. As embodied in the slogan "Global 20," the SEI Group targeted 20% of the global market share for wiring harnesses by 2010, but this acquisition allowed us to reach a global market share of 20% four years ahead of schedule

Products & Technology

- A wire harness is an organized set of wires, terminals and connectors that carries electrical current and signals to features in a vehicle. Wire harnesses carry all the signals and electrical power throughout the car
- Our new products and technologies are highly acclaimed by users. The newly released high voltage wiring harnesses greatly contribute to improvements in workability and service maintainability of hybrid vehicles

Geographic Footprint

- Manufacturing Sites: Scottsville, Kentucky; Edmonton, Kentucky; Lebanon, Ohio; Juarez, Mexico; Chihuahua City, Mexico; Torreon, Mexico; Gomez Palacio, Mexico

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006)

A.T. KEARNEY

Competitor Profile: Valeo

Preliminary

Financial

Sales by Segment	Sales by Geography
• Electrical $9,933 MM x 63% = $6,257 (2005)	• Overall: Europe 69%; NA 15%
Operating Income by Segment	**Assets**
• Overall: 3.1% (2005)	• Not broken out by division in financial statements

Basic Facts & Recent Developments

- Valeo is organised into three business activities that group together with 12 branches. The French group's three main activities are Electrical and Electronic Systems, Thermal, and Transmissions.
- The Electrical and Electronic Systems activity represented 63% of Valeo's sales in 2005 and covers seven branches: lighting systems; wiper systems; switches and detection systems; electrical systems; motors and actuators; electronics and connective systems; and security systems.

Customer Relationships

- Fiat: Doblo, Stilo, Ypsilon, Alfa Romeo
- Peugot: 207, 407; Citroen C2, C3, C4
- Renault: Dacia
- Porsche: 911
- Volkswagon: SEAT, Polo

Acquisitions/Joint Ventures

- Not available

Products & Technology

- The Valeo e-harness and Smart Connectors are new technologies that enable the integration of electronics directly into the vehicle harness. These technologies support the trend towards distributing electronics throughout the vehicle harness

- Its product line-up includes:
  - modular electrical wiring harnesses
  - body controllers
  - under-hood engine controllers
  - electronic distribution boxes for under-hood applications
  - new electrical energy management systems and components

Geographic Footprint

- It employs 12,520 people at 22 plants and five R&D centres in ten countries:
  - France
  - Germany
  - Italy
  - Morocco
  - Egypt
  - Poland
  - Portugal
  - Romania
  - Spain
  - Tunisia

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006)

Competitor Profile: Yazaki

Preliminary

Financial

Sales by Segment	Sales by Geography
• Global Market Share 20% • $9.2 B x 85% = $7.8 B (2004)	• Not available
Operating Income by Segment	**Assets**
• Not available (private company)	• Not available

Basic Facts & Recent Developments

- Having pioneered the wire harness in 1929, Yazaki's experience is unequalled
- Given their complexity, vertical integration is the key to wire harness quality. By designing and producing everything from wire to connectors, Yazaki achieves total control over quality and performance from the earliest stages
- Yazaki North America, Inc. (Yazaki) announced it will design, develop, and manufacture the high voltage (HV) connection system and wiring for the 2009 Ford Fusion Hybrid

Customer Relationships

- Ford: Freestyle, Escape Hybrid, Fusion, Five-Hundred; Europe: Jaguar, Volvo, Land Rover
- General Motors: Cadillac CTS, SRX, XLR; Pontiac Torrent, Solstice; Europe: Opel Zafira
- DCX: Dodge Magnum, Caliber, Nitro, Ram; Chrysler PT Cruiser, 300; Europe: Mercedes SLK, Mitsubishi
- Toyota: Camry, Tacoma; Europe: Aygo, Corolla
- Honda: RDX, Civic

Acquisitions/Joint Ventures

- First established manufacturing presence in China in 1998 – wiring harnesses. Now has four facilities in China
- Also has presence in the Philippines, Thailand, Taiwan, and Indonesia. In Eastern Europe has production in Slovakia, Turkey and the Ukraine.

Products & Technology

- To meet the requirements of today's advanced PDNs, Yazaki continually improves its wire harnesses. Among its latest innovations are:
  - Integrated power modules that combine primary distribution and under hood body control in a single component
  - Thin-wire designs that save weight and space
  - Optical fiber networks that empower the in-vehicle infotainment revolution
- Other Yazaki solutions are integral to the efficient performance of wire harnesses and PDNs
  - Flat Flexible Cable and Flexible Printed Circuits
  - FPC Connectors

Geographic Footprint

- United States
- Mexico
- Japan
- Philippines
- China
- Thailand
- Taiwan
- Indonesia
- India
- Vietnam
- Australia
- Samoa
- UK
- Portugal
- Slovakia
- Turkey
- Ukraine
- Morocco
- Columbia
- Argentina
- Brazil

Source: Company websites and annual reports, Just-Auto Electrical Wiring Systems report (2006)

A.T. KEARNEY

Competitor Profile: Siemens VDO

Preliminary

Financial

Sales by Segment	Sales by Geography
• $13.0 B (2006) (up 4%)	• 22% NAFTA
Operating Income by Segment	**Assets**
• $869 MM (2006) (up 6%) • 6.7%	• Not available by division

Basic Facts & Recent Developments

- In fiscal 2006, SV continued to invest in advanced solutions, such as for hybrid electric vehicles, advanced driver assistance systems (ADAS) and electronic wedge brakes, while increasing its competitiveness through cost-reduction programs. Group profit of €669 million, up 6% year-over-year, included higher R&D expenses year-over-year and charges associated with capacity adjustments

Customer Relationships

- The company's customer base includes all of the 10 top vehicle builders in the world and many other tier-one suppliers

Acquisitions/Joint Ventures

- December 21, 2006 - Siemens VDO Automotive Corp. has signed an agreement to acquire Ballard Power Systems Inc.'s Electric Drive Business

Products & Technology

- Siemens VDO Automotive (SV) – SV develops, manufactures and sells electronic and mechatronic systems, modules and components for passenger cars and commercial vehicles. Its product range includes solutions for advanced propulsion and motor management, car body and chassis electronics, safety and driver assistance systems as well as driver information, communication and multimedia systems
- Areas of expertise include engine, powertrain and total air fuel management systems; diesel engine technologies; advanced systems for navigation and driver information; numerous sensors for a variety of vehicle applications; evaporative and exhaust emission control products; safety and restraint systems technologies; information and navigation systems for passenger cars and commercial vehicles; and, cockpit modules and systems

Geographic Footprint

- Siemens VDO Automotive has manufacturing facilities in the following countries:
- Germany (15); France (5); Czech Republic (2); Great Britain (2); Poland (1); Slovakia (1); Italy (2); Austria (1); Hungary (1); Ireland (1); Spain (1); and, Switzerland (1)
- China (4); India (1); Korea (3); Malaysia (2); Australia (1); Indonesia (1); Malaysia (2); Russian Federation (1); South Africa (1);
- USA (4); Canada (4); Mexico (5); Brazil (2);

Source: Company websites and annual reports

A.T. KEARNEY

Competitor Profile: Bosch

Preliminary

Financial

Sales by Segment	Sales by Geography
• $34.2 B (2005) – all Automotive Technology	• Not available by division
Operating Income by Segment	**Assets**
• Not available	• Not available by division

Basic Facts & Recent Developments

- Within the Bosch-Group, the Automotive Electronics Division with its headquarters located in Reutlingen near Stuttgart develops, produces and sells microelectronic products for automotive applications. Further core competencies are systems integration and application engineering for the vehicle
- Energy & Body Systems – develop, manufacture, and distribute starters, alternators, ECUs for body electronics, and components based on mechatronic drives

Customer Relationships

- Strong presence with most NA, EU and Asia OEM's
- Variety of products and vehicle programs

Acquisitions/Joint Ventures

- Not available

Products & Technology

- Alternators
- Starters
- Technical solutions for commercial vehicles
- Software and electronics
- Components for engine thermal management
- Climate-control components
- Seating-comfort systems and actuator technology for
- assemblies of equipment
- Mechatronics for side doors and roof
- Windshield and rear-window cleaning systems

- Components (semiconductors, sensors, relays)
- ECUs (i.e. for transmission control and for occupant protection systems)
- Driver-assistance systems

Geographic Footprint

- The Bosch Group employs approx. 251,000 people in more than 50 countries
- Selected info:
  - US: over 60 locations
  - Germany: over 80 locations
  - China: 13 locations

Source: Company websites and annual reports

Competitor Profile: Denso

Preliminary

Financial

Sales by Segment	Sales by Geography
• Global Sales = \$27.3B • Thermal Systems: \$8.8B (+11%) • Powertrain Control Systems: \$6.6B (+19%) • Electric Systems \$4.2B (+15%) • Electronic Systems: \$3.1B (+10%) • Small Motors: \$1.9B (+16%) • ITS: \$1.3B (+25%)	• Japan: \$19.6B (+11%) • Americas: \$5.9B (+19%) • Europe: \$3.6B (+13%) • Asia & Oceania: \$3.4B (+36%)
Operating Income by Geography	**Assets**
• Japan: \$1.7B (+15%) • Americas: \$0.2B (-8%) • Europe: \$0.0B (+) • Asia & Oceania: \$0.3B (+83%)	• Total Assets = \$29B (+23%)

Basic Facts & Recent Developments

- DENSO, a leading supplier of advanced automotive technology, systems and components for all the world's major automakers
- DENSO is one of the only automotive suppliers to independently develop engineering strategies *and* manufacture customized systems and components. Our expertise results in a thorough understanding of total system integration.
- In North America, DENSO applies overseas research and development in producing innovative technology. Nearly 10 percent of our 106,000 associates worldwide are exclusively dedicated to researching and developing new technology 3 to 15 years in advance of market introduction. In addition, seven to eight percent of annual total sales revenue is specifically targeted for research and development.

Customer Relationships

- History with Toyota
- Strong presence with most NA, EU and Asia OEM's
- Variety of products and vehicle programs

Acquisitions/Joint Ventures

- In March 2005, Denso acquired a 25% stake in Smiths Manufacturing Pty. Ltd., in South Africa, covering heaters, radiators and electric fans
- In March 2005, Denso announced a 75:25 joint venture agreement with Hanshin Electric, to produce two types of automobile ignition coils, stick type and plug-top type, in China. (Denso's 14th production base in China)

Products & Technology (1)

- DENSO holds a leadership position in technologies that maximize vehicle safety and minimize the environmental impact of automobiles. We lead advances in automotive electronics such as systems for electronic fuel injection, instrumentation, braking control and navigation. DENSO is also a leader in car air conditioners, fuel pumps, radiators, instrument clusters, wiper systems, rotating electrical products and other components.

Geographic Footprint

- Denso has 106,000 employees and operates in 32 different countries
- Denso's production facilities
  - US: 18 (6 related to electronics)
  - Europe: 11 (5 related to electronics)
  - China: 14 (3 related to electronics)
  - Japan: 11 (5 related to electronics)
  - Other Asia: 22 (7 related to electronics)
- In addition to Japan, Denso has regional headquarters in Singapore, the Netherlands, Beijing, and US (Michigan)

Note: (1) Products & technology are only listed for Electronics business unit

Source: Denso web site; Denso 2005 Annual Report; Denso News Releases; Ward's Autoworld March 2006, FactSet, Reuters

Competitor Profile: Delphi

Preliminary

Financial (3)

Sales by Segment	Sales by Geography
• Dynamics, Propulsion, Thermal & Interior: $11.8 B (-7%) • Electrical, Electronics & Safety: $13.1 B (-4%)	• North America: $18.3 B (-7%) • Total: $26.9 B (-6%)
Operating Income by Segment	**Assets**
• Dynamics, Propulsion, Thermal & Interior: $(1,282) M (-1055%) • Electrical, Electronics & Safety: $371 M (-57%)	• North America Net Property: $3.0 B (-4%) • Total Net Property: $5.1 B (-14%)

Basic Facts & Recent Developments

- Headquarters in Troy, Mich., USA, Paris, Tokyo and São Paulo, Brazil
- 2 business sectors: Dynamics, Propulsion, Thermal & Interior Sector and Electrical, Electronics, & Safety Sector
- Delphi has approximately 177,000 employees
- Delphi and U.S. subsidiaries filed voluntary petitions for reorganization under chapter 11. The restructuring plan includes these steps:
  - Modify its U.S. labor agreements
  - Conclude negotiations with GM to finalize its financial support for the legacy and labor costs and to ascertain its commitment to Delphi
  - Streamline its product portfolio and align manufacturing footprint
  - Transform its salaried workforce to ensure that its structure is aligned with its product portfolio and manufacturing footprint
  - Find a workable solution to the company's current pension situation

Customer Relationships (3)

- 47.7% of Sales are to GM
- GM North America content per vehicle for 2005 was $2,328
- Sales to four other major global vehicle manufacturers exceed $850 million: Ford, DaimlerChrysler, Renault/Nissan, and VW Group
- Ford Preferred Supplier (2)

Acquisitions/Joint Ventures

- 39 joint ventures
- Sold battery business to JCI in 2005

Products & Technology (1)

- Delphi takes an entire systems approach. This approach covers virtually all aspects of E/EDS:
  - Power distribution
  - Circuit protection
  - Electrical/electronic functions
  - Signal processing
  - Sensing/switching

Geographic Footprint

- 303 sites in 34 countries throughout the world, including manufacturing facilities, technical centers, customer centers and sales offices as of December 31, 2005
- 33 were owned and 55 were leased in the U.S. and Canada
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Note: (1) Products & technology are only listed for Electronics business unit
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(3) Financial results are for the year ended December 31, 2005
Source: Delphi web site (information accurate as of June 30, 2006), Global Insight, Delphi 2005 10-K

Lear Representative Program Review

A.T. KEARNEY

As part of the due-diligence process, Lear management reviewed 10 representative programs with us

- The assessment of 10 representative programs were conducted in the form of Lear management interviews
  - Scope was 10 programs across three regions (NA, Europe and Asia)
  - Review covered programs across six OEM (GM, Chrysler, Ford, Audi/VW, PSA, Hyundai)
- Key observations from the program review are:
  - Eight of the ten programs reviewed were profitable in 2006 on an operating basis; the remaining two will be profitable post restructuring
    - [*]
      - [*]
      - [*]
    - Vertical integration and transition to LCC facilities for components will help improve profitable
  - Lear has commodity exposure in all of its programs. Reviewed programs did not have any full pass through for commodity prices. Lear expects to resolve this commodity exposure through commercial negotiations and cost reductions
  - Recovery of tooling and development costs has not been an issue for the programs reviewed. Some OEMs pay lump sum for the development while others require the cost to be amortized over the life of the program

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

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Spend and Commodity Analysis

Lear Spend Analysis

[*]

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Commodity exposure

(Total Spend - Directed Mtl - ISD) x Raw Material Content % = Commodity Exposure

[*]

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

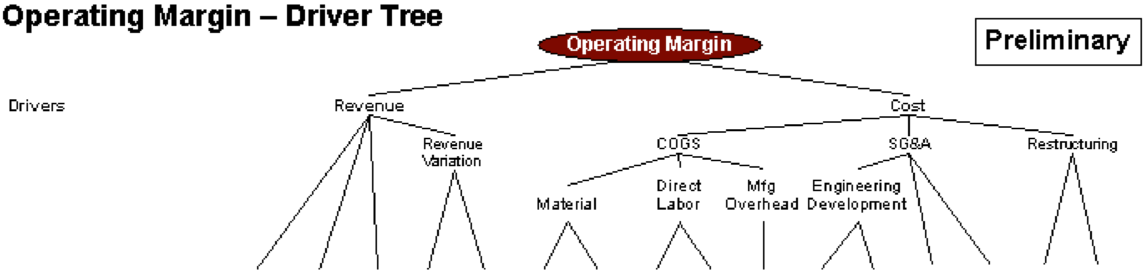
Additional Restructuring Opportunities

A.T. KEARNEY

Lear's long range strategic plan addresses multiple operating margin drivers

Operating Margin – Driver Tree

Preliminary



Lear Long Range Strategic Plan Levers	Booked Business (Awarded)	Projected Business (Likely)	New Business (Not in Current Plan)	Actual Units Sold – Projected Volume	Product Content	Raw material	Purchased Parts	Existing Labor Agreement	Direct Labor Headcount	Capacity	Product Development	Innovation Development	Sales	Program Management	Labor Agreement	Capacity
Structural Cost Reduction																
• HCC to LCC							X	X			X	X				
• Reduce headcount									X	X	X	X	X	X		
• Hedge material exposure						X										
Component Focus/ Innovation		X	X		X							X				
• Acquisition Strategy			X		X							X			X	X
Sales Diversification	X	X	X	X												
• Increase Asian OEM business	X	X	X	X												
• Increase business in Asia	X	X	X	X												
Continue Expansion in Asia	X	X	X	X												

A.T. KEARNEY

Cost reduction actions have been identified incremental to Lear's current restructuring activities

	Lear's Current Plan		Incremental Cost Reduction Actions
	Restructuring Activities	**Timing**	
Direct Material	• Supplier negotiations • SSD - Europe Seats Foam Co-Sourcing, [*] cost improvement • Fastener Cost Reduction ([*] of [*] Spend) • SSD – Europe Market testing	• [*] savings identified for 2007 •[*] by 2008 (Foam Co-sourcing) •[*] by 2008 (SSD – Europe market test)	• Aggressive sourcing activities of material spend: • [*] savings on plastic components • [*] savings for trim/foam and fasteners • [*] savings for electric, metals and mechanisms • [*] savings on direct resin buys with sourcing or through contracts or hedging
Indirect Material Costs	• [*] reduction in production tooling costs (ESD) • [*] reduction in tooling costs (SSD - Europe) • [*] improvement in non-production spend (SSD - Europe)	• 2008 (0 – 2 Year Plan)	• [*] reduction of indirect costs (indirect material, maintenance, lease, utilities)
SG&A	• Consolidation of administrative functions and divisions • Census reductions • Headquarters SG&A reduction (2006-2007): [*]	• Several administrative functions / divisions consolidated with additional planned • [*] salaried heads reduced in 2006 • Salaried employee reduction – [*] cost	• [*] • Implementation costs: [*]

Source: Lear internal data; Lear's Auto Analysts of New York Conference, January 11, 2007; Lear's Fourth Quarter/Full Year 2006 Results and 2007 Financial Guidance; A.T. Kearney analysis

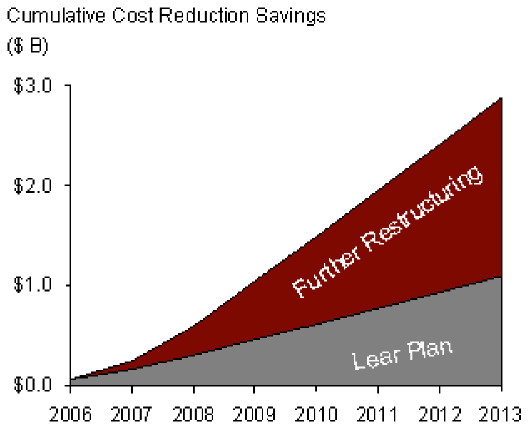
[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

A.T. KEARNEY

A more aggressive restructuring plan will offer further margin improvement

	Further Actions	Anticipated Savings
Direct Material	• Aggressive sourcing activities of material spend	• [*] savings on plastic components • [*] savings for trim/foam and fasteners • [*] savings for electric, metals and mechanisms • [*] savings on direct resin buys with sourcing or through contracts or hedging
Indirect Costs	• Aggressive sourcing activities of indirect material spend	• [*] reduction of indirect costs (indirect material, maintenance, lease, utilities)
SG&A	• [*]	• [*] annually by 2009

Cost Reduction Savings Cumulative

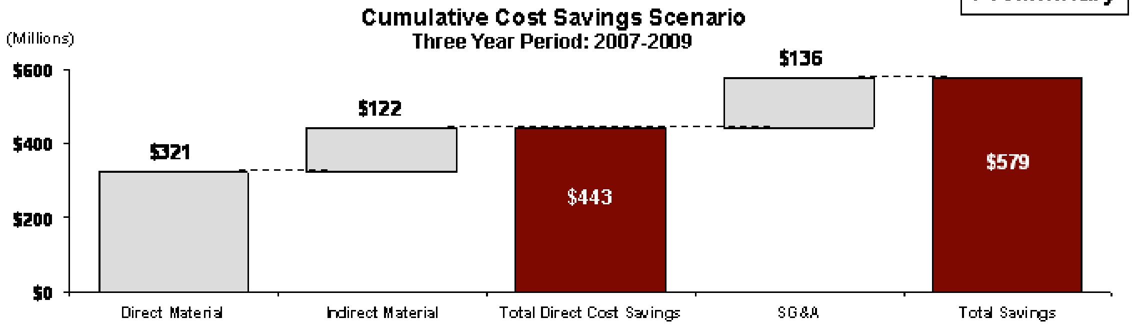


Further restructuring costs estimated at [*] for SG&A and nominal costs for material cost reduction

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Cost reduction efforts will generate savings incremental to current improvement plan across all cost areas

Preliminary



Restructuring Assumptions		
Direct Material	**Indirect Material**	**SG&A**
Aggressive sourcing material spend: activities of • [*] savings on plastic components • [*] savings for trim/foam and fasteners • [*] savings for electric, metals and mechanisms • [*] savings on direct resin buys with sourcing or through contracts or hedging	• [*] reduction of indirect costs (indirect material, maintenance, lease, utilities)	• [*] • Implementation costs: [*] / year

We believe that there is additional savings opportunity through more aggressive restructuring of the manufacturing footprint

Notes: (1) Savings based on average closing cost of $15MM and 150,000 sq. feet for JIT plants
(2) Cost reduction activities are incremental to Lear's current restructuring plan and forecasted $74.0 MM direct material savings in 2007

Source: Lear internal analysis; A.T. Kearney analysis

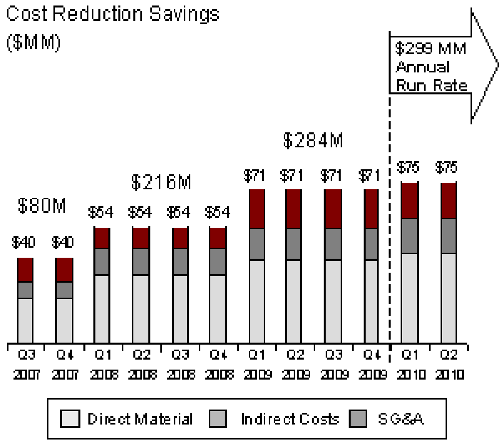
[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

A.T. KEARNEY

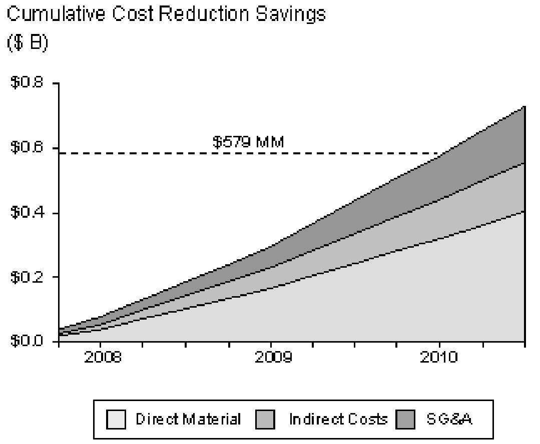
Cost reduction efforts could generate a $299 MM full savings run rate in 2010

Preliminary

Cost Reduction Savings



Cost Reduction Savings Cumulative



Cumulative incremental savings could reach $579 MM by 2010

Note: Cost reduction efforts are incremental to Lear's current restructuring plan and forecasted $74.0 MM direct material savings in 2007
Source: A.T. Kearney analysis

Scenario Analysis

Income Statement for the Lear Baseline

$ in millions

	2006	2007	2008	2009	2010	2011
Total Sales	$17,839	$15,104	$14,806	$14,492	$14,910	$14,910
Total Cost Of Goods Sold	$16,911	$14,010	$13,660	$13,283	$13,615	$13,569
% of Sales	94.8%	92.8%	92.3%	91.7%	91.3%	91.0%
Gross Margin	$928	$1,095	$1,146	$1,209	$1,295	$1,341
% Sales	5.2%	7.2%	7.7%	8.3%	8.7%	9.0%
SGA	$647	$607	$561	$525	$514	$512
% Sales	3.6%	4.0%	3.8%	3.6%	3.4%	3.4%
Operating Income	$281	$488	$585	$684	$781	$829
% Sales	1.6%	3.2%	3.9%	4.7%	5.2%	5.6%
Depreciation	$392	$323	$340	$326	$309	$309
EBITDA	$673	$810	$925	$1,010	$1,089	$1,138
% Sales	3.8%	5.4%	6.2%	7.0%	7.3%	7.6%
Restructuring Costs (OI)	$106	$104	$121	$68	$46	$-

Source: Lear, J.D. Power, A.T. Kearney Analysis

A.T. KEARNEY

Cash Flow Summary for the Lear Baseline

$ in millions

	2006	2007	2008	2009	2010	2011
Operating Income	$281	$488	$585	$684	$781	$829
Depreciation	$392	$323	$340	$326	$309	$309
Working Capital	$42	$(7)	$9	$(18)	$(15)	$(15)
LT Tooling & Engineering	$31	$26	$(27)	$(28)	$18	$18
Other	$55	$2	$7	$7	$9	$19
Interest, Taxes, Other	$363	$384	$385	$352	$396	$396
Net Cash From Operations	$438	$448	$529	$619	$705	$764
Capital Expenditures	$366	$266	$235	$250	$225	$225
Free Cash Flow	$73	$182	$294	$369	$480	$539
Cumulative Free Cash Flow		$182	$476	$845	$1,325	$1,864

Source: Lear, J.D. Power, A.T. Kearney Analysis

A.T. KEARNEY

An optimal performance scenario models a favorable environment with additional revenue and savings from the baseline

Category	Lever	Variable	Optimal Performance	Negative Headwinds
Revenue	Incremental Pursuit Business Probability	% confidence	Lear Assumption	Reduce confidence 25%
	[*]	[*]	[*]	[*]
	Vehicle Volume	Unit Volume	Stable	-3% Global
Cost	Plant Closure for Capacity Reduction	Square Ft.	TBD	TBD
	Plant Closure for LCC Migration	Square Ft.	TBD	TBD
	HQ Salary Headcount Reduction	% SGA of Rev	Benchmark	0
	Direct Material Cost Savings	Mtl as % of Revenue	Wt. avg based on commodities	0
OI Overlay	Commodity Volatility	% change of commodity	Multiple Scenarios	Multiple Scenarios

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Income Statement in an optimal performance scenario

$ in millions

	2006	2007	2008	2009	2010	2011
Total Sales	$17,839	$15,104	$14,806	$14,492	$14,910	$14,910
Total Cost Of Goods Sold	$16,911	$13,949	$13,567	$13,167	$13,491	$13,442
% of Sales	94.8%	92.4%	91.6%	90.9%	90.5%	90.2%
Gross Margin	$928	$1,155	$1,239	$1,325	$1,419	$1,467
% Sales	5.2%	7.6%	8.4%	9.1%	9.5%	9.8%
SGA	$647	$589	$540	$485	$475	$450
% Sales	3.6%	3.9%	3.6%	3.3%	3.2%	3.0%
Operating Income	$281	$566	$699	$840	$943	$1,017
% Sales	1.6%	3.7%	4.7%	5.8%	6.3%	6.8%
Depreciation	$392	$323	$340	$326	$309	$309
EBITDA	$673	$889	$1,039	$1,165	$1,252	$1,326
% Sales	3.8%	5.9%	7.0%	8.0%	8.4%	8.9%
Restructuring Costs (OI)	$106	$104	$121	$68	$46	$-

Note: A.T. Kearney projections post restructuring
Source: Lear, J.D. Power, A.T. Kearney Analysis

A.T. KEARNEY

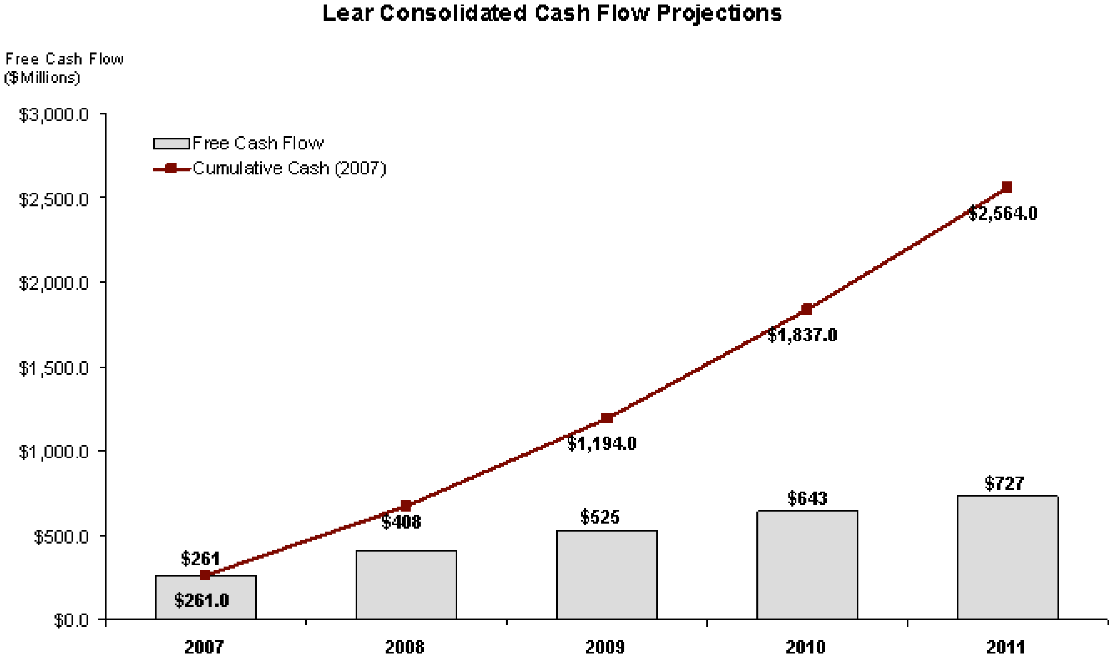
Cash Flow Summary in an optimal performance scenario

$ in millions

	2006	2007	2008	2009	2010	2011
Operating Income	$281	$566	$699	$840	$943	$1,017
Depreciation	$392	$323	$340	$326	$309	$309
Working Capital	$42	$(7)	$9	$(18)	$(15)	$(15)
LT Tooling & Engineering	$31	$26	$(27)	$(28)	$18	$18
Other	$55	$2	$7	$7	$9	$19
Interest, Taxes, Other	$363	$384	$385	$352	$396	$396
Net Cash From Operations	$438	$526	$643	$774	$868	$952
Capital Expenditures	$366	$266	$235	$250	$225	$225
Free Cash Flow	$73	$261	$408	$525	$643	$727
Cumulative Free Cash Flow		$261	$669	$1,194	$1,837	$2,564

Note: A.T. Kearney projections post restructuring; cumulative cash flow is from 2007
Source: Lear, J.D. Power, A.T. Kearney Analysis

The optimal scenario will allow for $2.6B in cumulative free cash flow by 2011



Source: A.T. Kearney Analysis

A.T. KEARNEY

A negative headwind scenario models a negative environment with reduce success in bookings and automotive industry pressures from the baseline

Category	Lever	Variable	Optimal Performance	Negative Headwinds
Revenue	Incremental Pursuit Business Probability	% confidence	Lear Assumption	Reduce confidence 25%
	[*]	[*]	[*]	[*]
	Vehicle Volume	Unit Volume	Stable	-3% Global
Cost	Plant Closure for Capacity Reduction	Square Ft.	TBD	TBD
	Plant Closure for LCC Migration	Square Ft.	TBD	TBD
	HQ Salary Headcount Reduction	% SGA of Rev	Benchmark	0
	Direct Material Cost Savings	Mtl as % of Revenue	Wt. avg based on commodities	0
OI Overlay	Commodity Volatility	% change of commodity	Multiple Scenarios	Multiple Scenarios

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A.T. KEARNEY

Income Statement for a negative headwinds scenario

$ in millions

	2006	2007	2008	2009	2010	2011
Total Sales	$17,839	$14,728	$13,758	$13,314	$13,607	$13,237
Total Cost Of Goods Sold	$16,911	$13,761	$12,891	$12,489	$12,808	$12,506
% of Sales	94.8%	93.4%	93.7%	93.8%	94.1%	94.5%
Gross Margin	$928	$967	$867	$825	$799	$730
% Sales	5.2%	6.6%	6.3%	6.2%	5.9%	5.5%
SGA	$647	$598	$530	$492	$483	$476
% Sales	3.6%	4.1%	3.9%	3.7%	3.6%	3.6%
Operating Income	$281	$368	$337	$333	$316	$254
% Sales	1.6%	2.5%	2.4%	2.5%	2.3%	1.9%
Depreciation	$392	$323	$340	$326	$309	$309
EBITDA	$673	$691	$677	$659	$625	$563
% Sales	3.8%	4.7%	4.9%	4.9%	4.6%	4.3%
Restructuring Costs (OI)	$106	$104	$121	$68	$46	$-

Note: A.T. Kearney projections post restructuring
Source: Lear, J.D. Power, A.T. Kearney Analysis

A.T. KEARNEY

Cash Flow Summary for a negative headwinds scenario

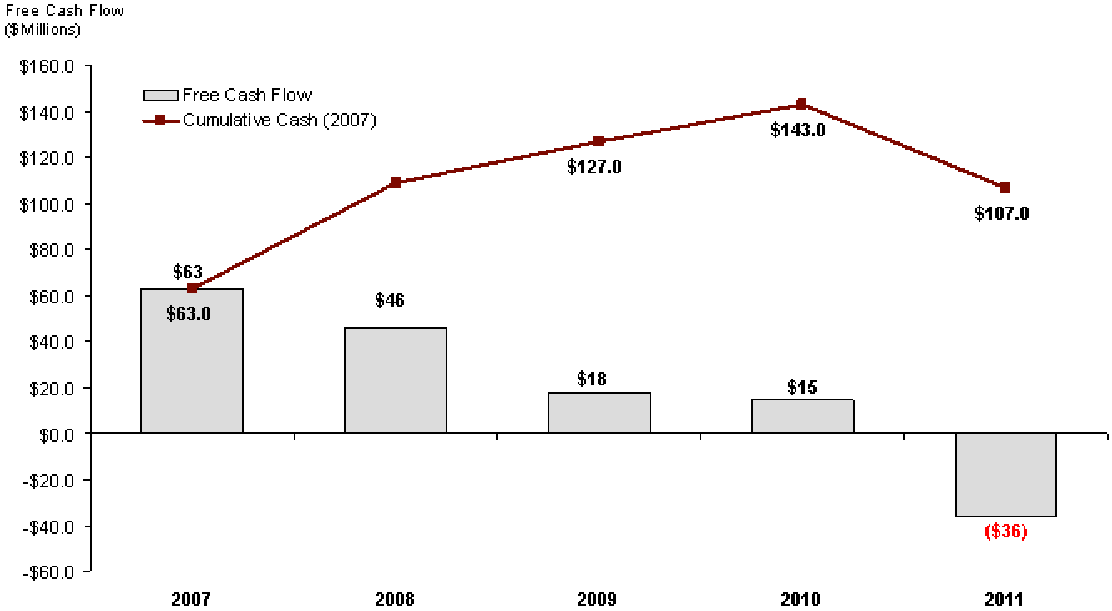
$ in millions

	2006	2007	2008	2009	2010	2011
Operating Income	$281	$368	$337	$333	$316	$254
Depreciation	$392	$323	$340	$326	$309	$309
Working Capital	$42	$(7)	$9	$(18)	$(15)	$(14)
LT Tooling & Engineering	$31	$26	$(27)	$(28)	$18	$18
Other	$55	$2	$7	$7	$9	$19
Interest, Taxes, Other	$363	$384	$385	$352	$396	$396
Net Cash From Operations	$438	$329	$281	$268	$240	$189
Capital Expenditures	$366	$266	$235	$250	$225	$225
Free Cash Flow	$73	$63	$46	$18	$15	$(36)
Cumulative Free Cash Flow		$63	$109	$127	$143	$107

Note: A.T. Kearney projections post restructuring; cumulative cash flow is from 2007
Source: Lear, J.D. Power, A.T. Kearney Analysis

The negative headwinds scenario shows cash flow reducing year over year

Lear Consolidated Cash Flow Projections



Source: A.T. Kearney Analysis

[*]

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

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EBITDA Impact

A.T. KEARNEY

EBITDA impact based on various scenarios

$ in millions

Lear Financial Model (Dec. 2006)	2006	2007	2008	2009	2010
Total Sales	$17,839	$15,104	$14,296	$13,707	$13,935
EBITDA (ex restructuring)	$779	$865	$944	$958	$988
CapEx	$348	$240	$240	$240	$240
EBITDA Impact					
Management Upside			$111	$139	$157
[*]			[*]	[*]	[*]
Short Term Volume Reduction (1%)		($30)	($29)	($27)	($28)
Long Term Volume Reduction (1%)		($15)	($14)	($13)	($14)
Steel 10% Increase		($78)	($75)	($74)	($5)
More aggressive cost reduction		$80	$216	$284	$299

Source: Lear, J.D. Power, A.T. Kearney Analysis

[*] - Certain information in this exhibit has been omitted and filed separately with the SEC pursuant to a confidential treatment request under Rule 24b-2 of the Exchange Act.

Exhibit (c)(4)

STRICTLY CONFIDENTIAL

February 9, 2007

The Audit Committee and Special Committee of the Board of Directors
American Property Investors, Inc.
General Partner of American Real Estate Partners,
L.P. 445 Hamilton Avenue, Suite 1210
White Plains, NY 10601

Gentlemen:

We understand that American Real Estate Partners, L.P., including any of its majority-owned subsidiaries ("AREP" or the "Company"), intends to acquire for $36 per share in cash, all of the outstanding common stock, $0.01 par value ("Common Stock"), of Lear Corporation ("Lear"), including shares of Common Stock owned by Carl C. Icahn ("Icahn") directly, and owned by Icahn indirectly through entities he controls, which constitute approximately 15.77% of the aggregate outstanding Common Stock according to the Schedule 13D filed by Icahn with the Securities and Exchange Commission on October 17, 2006 (the "Transaction"). We understand that AREP is a Delaware master limited partnership approximately 90% of the outstanding master limited partnership depositary units of which ("MLP Units") are owned by Icahn and, therefore, AREP is deemed to be an affiliate of Icahn. The Transaction is subject, among other things, to the recommendation and approval by the Audit Committee and the Special Conunittee of the Board of Directors of American Property Investors, Inc. (the "Special Committee" and together with the Audit Committee, the "Committee").

American Property Investors, Inc. ("APII") is a Delaware corporation and the corporate general partner of AREP, which is a wholly-owned subsidiary of Beek-ton Corp., which, in turn, is wholly-owned by Icahn.

The terms and conditions of the Transaction are set forth in the draft Merger Agreement, dated as of February 6, 2007, among AREP Car Holdings Corp., AREP Car Acquisition Corp. and Lear (the "Merger Agreement"), a complete and correct copy of which you have made available to us. All capitalized terms used and not specifically defined herein have the respective meanings assigned to them in the Merger Agreement.

We understand that AREP issued (i) on May 12, 2004, at a discount $353 million face amount of its 8.125% Senior (unsecured) Notes due 2012, (ii) on February 7, 2005 $480 million face amount of its 7.125% Senior (unsecured) Notes due 2013, and (iii) on January 16, 2007, at a discount $500 million of its 7.125% Senior (unsecured) Notes due 2013 (together, the "Senior Unsecured Notes").

You have advised us that Section 4.11 of the indentures dated May 12, 2004 and February 7, 2005, respectively, for the Senior Unsecured Notes (the "Indentures") provide that, as a condition to consummation of certain "Affiliate Transactions" (as defined therein), AREP must obtain an opinion as to the fairness thereof to AREP, from a financial point of view. The Committee has informed us that the Transaction implicates Section 4.11 of the Indentures, and, therefore, it has requested pursuant to Section 4.11 of the Indentures our opinion as to the fairness to AREP, from a financial point of view, of the consideration to be paid by AREP in the Transaction. In view of Icahn's direct and indirect ownership of the Common Stock and his participation in the Transaction in his capacity as an owner of Common Stock, the Committee similarly has requested our opinion as to the fairness to AREP, from a financial point of view, of the consideration to be paid by AREP in the Transaction.

In conducting our analyses and arriving at our opinion as expressed herein, we have reviewed and analyzed, among other things, the following:

i. the February 6, 2007 draft of the Merger Agreement (which we have assumed is, with respect to all material terms and conditions thereof, substantially in the form of the definitive agreement to be executed and delivered by the parties thereto after the receipt of this opinion letter);

ii. the Annual Report on Form 10-K filed by Lear with the SEC with respect to its fiscal year ended December 31, 2005, the Quarterly Reports on Form 10-Q filed by Lear with the SEC with respect to its fiscal quarters ended March 31, 2006, June 30, 2006, September 30, 2006, and certain other Exchange Act filings made by Lear with the SEC;

iii. the Annual Report on Fornn l 0-K filed by AREP with the SEC with respect to its fiscal year ended December 31, 2005, the Quarterly Reports on Form 10-Q filed by AREP with the SEC with respect to its fiscal quarters ended March 31, 2006, June 30, 2006 and September 30, 2006, and certain other Exchange Act filings made by AREP with the SEC;

iv. certain other publicly available business and financial information concerning Lear and AREP, respectively, and the industries in which they operate, which we believe to be relevant;

v. certain internal information and other data relating to Lear and AREP, respectively, and their respective business and prospects, including budgets, projections and certain presentations prepared by Lear and AREP, respectively, which were provided to us by AREP's senior management;

vi. the reported sales prices and trading activity of Lear's common stock;

vii. certain publicly available information concerning certain other companies which we believe to be relevant and the trading markets for certain of such other companies' securities;

viii. the financial terms of certain recent unrelated transactions which we believe to be relevant; and

ix. the resolutions of the Board of Directors of APII, dated February 2, 2007, establishing and constituting the membership of the Special Committee and prescribing its authority and mandate with respect to the Transaction, a complete and correct copy of which were provided to us by AREP's senior management.

We also have participated in various conferences with certain officers, directors (including the members of the Committee), employees and outside consultants of AREP and its affiliates concerning the business, operations, assets, financial condition and prospects of AREP and Lear, respectively, and we have undertaken such other studies, analyses and investigations as we deemed relevant to our opinion hereinafter expressed.

In arriving at our opinion, with your express permission and without any independent verification, we have assumed and relied upon the accuracy and completeness of all financial and other publicly available information and data provided to or otherwise reviewed by or discussed with us, and upon the assurances of senior management of AREP and its affiliates that all information relevant to our opinion has been disclosed and made available to us. We neither have attempted independently to verify any such information or data nor do we assume any responsibility to do so. We have assumed with your express permission that the respective forecasts and projections of Lear which were provided by AREP's senior management to and reviewed by us have been reasonably prepared based on the best current estimates, information and judgment of AREP's and Lear's senior management, respectively, as to the future financial condition, cash flows and results of operations of AREP and Lear and their consolidated subsidiaries, respectively. We have further assumed with your express permission that the sale of the North American Interior Systems Division of Lear will be completed and that the Transaction will be consummated in accordance with the terms and subject to the conditions contained in the Merger Agreement, without any economic or material further amendments thereto or modification thereof, and without any waiver by AREP or Lear of any of the conditions to their respective obligations thereunder.

We have made no independent investigation of and express no view on any legal, accounting or tax matters affecting Lear, AREP or any of their respective affiliates, or the Transaction, and we have assumed the accuracy and completeness of all legal, accounting and tax advice provided to AREP and the Committee by AREP's management and the Committee's independent professional advisors. We have not conducted a physical inspection of any of the properties, assets or facilities of Lear or AREP, nor have we made or obtained any independent valuation or appraisal thereof. Although we have taken into account our assessment of general economic, market and financial conditions and our experience in transactions that, in whole or in part, we deem to be relevant for purposes of our analyses herein, as well as our experience in the valuation of securities in general, our opinion herein necessarily is based upon and limited to economic, financial, market, industry, political, regulatory and other U.S. domestic and international events and conditions as they exist and are susceptible to evaluation on the date hereof and we assume no responsibility to update or revise our opinion based upon any events or circumstances occurring or continuing after the date hereof. You have confirmed to us your understanding that events occurring after the date hereof may affect our opinion and the assumptions used in preparing it, and that we do not assume any obligation to update, revise or reaffirm our opinion unless you expressly request us to do so.

This letter and the opinion expressed herein have been requested by the Committee, are for its sole use and benefit, and are not intended for and cannot be relied upon by any holders of MLP Units or any other holders of equity interests in or debt obligations of or claims against AREP or any of its affiliates or other constituents.

We have not been engaged or requested to participate, and have had no involvement, in negotiating or structuring any aspect of the Transaction (or any of the transactions contemplated thereby).

Our opinion does not address the underlying business decision by AREP, the Committee or any of AREP's affiliates or constituents to propose, consider, approve, recommend, declare advisable or consummate the Transaction.

Our opinion does not constitute a recommendation to AREP, the Committee, AREP's full Board of Directors, the holders of MLP Units, or any other AREP constituent, person or entity as to any specific action that should be taken (or not be taken) in connection with the Transaction or as to any strategic or financial alternatives to the Transaction or as to the timing of any of the foregoing.

This opinion may not be reproduced, summarized, excerpted from or otherwise publicly referred to or disclosed in any manner without our prior written consent; except that AREP may include the full text of this opinion and a fair and accurate summary thereof in any disclosure document that AREP is required by applicable law to file with the Securities and Exchange Commission, but only to the extent that any such description or reference to Morgan Joseph & Co. Inc. shall have been reviewed by us in advance of any such publication and be in form and substance reasonably acceptable to us. In addition, the Committee or APII may provide a copy of this opinion letter to the trustees under the Indentures for the Senior Unsecured Notes.

We will receive a customary fee for our services. In addition, AREP has agreed to indemnify us for certain liabilities arising out of our engagement. Morgan Joseph & Co. Inc., as part of its investment banking business, is regularly engaged in the valuation of businesses in connection with mergers, acquisitions, underwritings, private placements of listed and unlisted securities, financial restructurings and other financial services.

MORGAN JOSEPH

Based upon and subject to the foregoing, it is our opinion that, at the date hereof, the consideration to be paid by AREP in the Transaction is fair to AREP, from a financial point of view.

Very truly yours,

Morgan Joseph & Co. Inc.

MORGAN JOSEPH & CO. INC.