

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 16, 2003**

LEAR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-11311
(Commission File Number)

13-3386776
(IRS Employer Identification Number)

21557 Telegraph Road, Southfield, MI
(Address of principal executive offices)

48034
(Zip Code)

(248) 447-1500
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

TABLE OF CONTENTS

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[EX-99.1 Press Release](#)

[EX-99.2 Slides](#)

Table of Contents

Item 5. Other Events and Regulation FD Disclosure

On April 16, 2003, Lear Corporation issued a press release reporting its financial results for the first quarter of 2003 and updating its earnings guidance for 2003. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press release issued April 16, 2003, filed herewith.

99.2 Slides from the Lear Corporation webcast of its first quarter of 2003 earnings call made on April 16, 2003, filed herewith.

Item 9. Regulation FD Disclosure

The following information is provided pursuant to Item 12 of Form 8-K, "Disclosure of Results of Operations and Financial Condition," as contemplated by SEC Release No. 33-8216.

On April 16, 2003, Lear Corporation issued a press release reporting its financial results for the first quarter of 2003 and updating its earnings guidance for 2003. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

The following information is provided pursuant to Item 9 of Form 8-K, "Regulation FD Disclosure," and Item 12 of Form 8-K, "Disclosure of Results of Operations and Financial Condition," as contemplated by SEC Release No. 33-8216.

On April 16, 2003, Lear Corporation made available the slides attached hereto as Exhibit 99.2 in a webcast of its first quarter of 2003 earnings call. Exhibit 99.2 is incorporated by reference herein. This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEAR CORPORATION,
a Delaware corporation

Date: April 16, 2003

By: /s/ David C. Wajsgras

Name: David C. Wajsgras
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued April 16, 2003, filed herewith.
99.2	Slides from the Lear Corporation webcast of its first quarter of 2003 earnings call made on April 16, 2003, filed herewith.

FOR IMMEDIATE RELEASE

Investor Relations:

Mel Stephens
VP — IR and Corporate Communications
(248) 447-1624

Media:

Andrea Puchalsky
Director — Corporate Communications
(248) 447-1651

**Lear Corporation Posts Record Net Sales;
Customer-Focused Strategy Driving Success**

Southfield, Mich., April 16, 2003 — Lear Corporation [NYSE: LEA], the world's largest automotive interior systems supplier, today reported financial results for the first quarter of 2003.

First-Quarter Highlights:

- **Record net sales of \$3.9 billion, up 10%**
- **Net income of \$1.01 per share, up 44% from prior year's comparable basis**
- **Strong cash flow used to reduce debt**
- **Recognized as a 2002 "Supplier of the Year" by General Motors**
- **Received three World Excellence Awards from Ford Motor Company**
- **Ranked as America's Most Admired Company in the Motor Vehicle Parts Industry by *Fortune*® Magazine**

For the first quarter of 2003, Lear posted record net sales of \$3.9 billion, operating income of \$161.9 million and net income of \$67.9 million, or \$1.01 per share. These results compare to net sales of \$3.5 billion, operating income of \$141.0 million and income of \$46.4 million, or \$0.70 per share, excluding the cumulative effect of a change in accounting for goodwill in 2002. Including the cumulative effect of last year's change in accounting for goodwill, Lear reported a net loss of \$252.1 million, or \$3.80 per share in the first quarter of 2002.

(more)

“The key to Lear’s success is our relentless focus on serving our customers and continuously improving the efficiency of our operations globally,” said Bob Rossiter, Lear Chairman and Chief Executive Officer.

Rossiter added, “In the First Quarter, we improved the quality of our products and raised customer satisfaction levels. We also achieved record net sales, improved operating margins, increased earnings and generated strong cash flow.”

Net sales were up 10% to \$3.9 billion from the prior year’s first quarter. The net sales increase reflects the addition of new business globally and a stronger Euro. Operating income was up \$20.9 million or 15% in the quarter, reflecting the profit contribution from new business and cost efficiencies.

Net income per share in the quarter was \$1.01 compared with \$0.70 a year ago, excluding the change in accounting for goodwill. The improvement reflects higher operating earnings, favorable interest expense and a lower corporate tax rate. Free cash flow was \$79.7 million for the quarter, resulting in lower debt levels. A reconciliation of free cash flow to net cash provided by operating activities is provided in the attached supplemental data page.

Our customer focus and operating achievements continue to be recognized within the industry. Lear was named as a “Supplier of the Year” for 2002 by General Motors, and we received three World Excellence Awards from Ford Motor Company for superior performance in 2002. In addition, *Fortune* Magazine recognized Lear as America’s Most Admired Company in the Motor Vehicle Parts Industry. In the most recent *Fortune* 500 survey, Lear ranks #131 in net sales and as the 16th fastest growing company in the U.S. based on ten-year revenue growth.

Second-Quarter and Full-Year 2003 Outlook

For the second quarter of 2003, the Company estimates net sales to be flat to up slightly from a year ago. This reflects the addition of new business globally and a stronger Euro, offset by lower vehicle production in North America (down 10%) and Western Europe (down 5%). We see net income per share in the range of \$1.20 to \$1.30. Capital spending is projected to be approximately \$100 million, and free cash flow is expected to be around \$75 million.

For the full year, the Company anticipates net sales to be approximately \$15.0 billion, compared with \$14.4 billion in 2002. This increase reflects the expected addition of \$900 million in new business globally and a stronger Euro (up 12% to 15%), offset in part by lower vehicle production in North America (down from 16.4 million units to a range of 15.7 to 15.9 million units) and lower vehicle production in Western Europe (down from 16.2 million units to a range of 15.7 to 15.9 million units). Based primarily on this updated industry production outlook, we see net income per share in the range of \$4.85 to \$5.25. Full-year capital spending is expected to be approximately \$300 million, and free cash flow is expected to be in the range of \$350 to \$400 million.

Lear Corporation, a Fortune 500 company headquartered in Southfield, Mich., USA, focuses on integrating complete automotive interiors, including seat systems, interior trim and electrical systems. With annual net sales of \$14.4 billion in 2002, Lear is the world's largest automotive interior systems supplier. The Company's world-class products are designed, engineered and manufactured by 115,000 employees in more than 280 facilities located in 33 countries.

Lear's news releases and other information, including certain financial and statistical information presented during its periodic earnings conference calls, are available on the Company's website at www.lear.com. Lear will webcast its live first quarter earnings conference call through its Investor Relations link at www.lear.com at 2:00 p.m. (Eastern) on April 16, 2003. In addition, one may access the conference call by dialing 1-800-789-4751 (domestic) or 1-706-679-3323 (international) with the access code number of 8525192. The audio replay will be available two hours following the call at 1-800-642-1687 (domestic) or 1-706-645-9291 (international) and will be available until May 1, 2003.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to general economic conditions in the markets in which the Company operates, including changes in interest rates and fuel prices, fluctuations in the production of vehicles for which the Company is a supplier, labor disputes involving the Company or its significant customers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, increases in warranty costs, risks associated with conducting business in foreign countries, fluctuations in currency exchange rates, adverse changes in economic conditions or political instability in the jurisdictions in which the Company operates, competitive conditions impacting the Company's key customers, raw material cost and availability, unanticipated changes in free cash flow and other risks detailed from time to time in the Company's Securities and Exchange Commission filings. These forward-looking statements are made as of the date hereof, and Lear does not assume any obligation to update them.

#####

Lear Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited; in millions, except per share amounts)

	Three Months Ended	
	March 29, 2003	March 30, 2002
Net sales	\$ 3,898.7	\$ 3,534.6
Cost of sales	3,590.1	3,262.0
Selling, general and administrative expenses	146.7	131.6
Interest expense	53.1	57.0
Other expense, net	11.8	14.2
	97.0	69.8
Income before income taxes and cumulative effect of a change in accounting principle		
Income taxes	29.1	23.4
	67.9	46.4
Income before cumulative effect of a change in accounting principle		
Cumulative effect of a change in accounting principle, net of tax	—	298.5 (a)
	67.9	(252.1)
Net income (loss)	\$ 67.9	\$ (252.1)
	1.03	0.72
Basic income per share before cumulative effect of a change in accounting principle		
Basic net income (loss) per share	\$ 1.03	\$ (3.91)
	1.01	0.70
Diluted income per share before cumulative effect of a change in accounting principle		
Diluted net income (loss) per share	\$ 1.01	\$ (3.80)
	65.8	64.5
Weighted average number of shares outstanding — basic		
Weighted average number of shares outstanding — diluted	67.4	66.3

- (a) On January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." Under this statement, goodwill is no longer amortized but is subject to annual impairment analysis. The Company's initial impairment analysis compared the fair values of each of its reporting units, based on discounted cash flow analyses, to the related net book values. As a result, the Company recorded impairment charges of \$310.8 million (\$298.5 million after-tax or \$4.50 per diluted share) as of January 1, 2002. These charges are reflected as a cumulative effect of a change in accounting principle, net of tax in the consolidated statement of income for the three months ended March 30, 2002.

Lear Corporation and Subsidiaries
Consolidated Balance Sheets
(In millions)

	March 29, 2003	December 31, 2002
	(Unaudited)	(Audited)
ASSETS		
Current:		
Cash and cash equivalents	\$ 89.9	\$ 91.7
Accounts receivable	2,037.1	1,508.0
Inventories	490.4	489.7
Recoverable customer engineering and tooling	173.4	153.2
Other	245.0	265.1
	<u>3,035.8</u>	<u>2,507.7</u>
Long-Term:		
PP&E, net	1,709.3	1,710.6
Goodwill, net	2,864.2	2,860.4
Other	408.6	404.3
	<u>4,982.1</u>	<u>4,975.3</u>
Total Assets	\$ 8,017.9	\$ 7,483.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current:		
Short-term borrowings	\$ 85.2	\$ 37.3
Accounts payable and drafts	2,278.7	1,966.4
Accrued liabilities	1,203.4	1,037.6
Current portion of long-term debt	3.6	3.9
	<u>3,570.9</u>	<u>3,045.2</u>
Long-Term:		
Long-term debt	2,060.0	2,132.8
Other	660.5	642.7
	<u>2,720.5</u>	<u>2,775.5</u>
Stockholders' Equity	<u>1,726.5</u>	<u>1,662.3</u>
Total Liabilities and Stockholders' Equity	\$ 8,017.9	\$ 7,483.0

Lear Corporation and Subsidiaries
Supplemental Data
(Unaudited; in millions, except content per vehicle data)

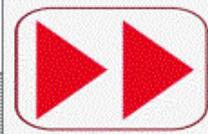
	Three Months Ended	
	March 29, 2003	March 30, 2002
Net Sales		
U.S. and Canada	\$ 2,197.6	\$ 2,108.4
Europe	1,331.3	1,096.3
Rest of World	369.8	329.9
Total	\$ 3,898.7	\$ 3,534.6
Operating Income	\$ 161.9	\$ 141.0
Content Per Vehicle*		
North America	\$ 594	\$ 576
Western Europe	301	246
South America	67	92
Free Cash Flow **		
Net cash provided by operating activities	\$ 96.6	\$ 168.9
Decrease (increase) in sold accounts receivable	53.4	(28.5)
Capital expenditures	(70.3)	(46.2)
Free cash flow	\$ 79.7	\$ 94.2
Depreciation	\$ 74.4	\$ 74.1

* Content Per Vehicle for 2002 has been updated to reflect actual production levels.

** Free cash flow represents operating cash flow before the net change in sold accounts receivable, less capital expenditures. Although free cash flow is not a measure of performance under accounting principles generally accepted in the United States ("GAAP"), the information is presented because management believes it provides useful information regarding the Company's ability to service and repay its debt. Free cash flow should not be considered in isolation or as a substitute for net income, net cash provided by operating activities or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. In addition, free cash flow measures as determined by the Company may not be comparable to related or similar measures as reported by other companies.

#####

April 16, 2003



advance relentlessly

***First Quarter 2003 Earnings Review
and Updated Guidance***

- I. Strategic Focus**
Bob Rossiter, Chairman & CEO

- II. Industry Update**
Jim Vandenberghe, Vice Chairman

- III. First Quarter Results and 2003 Outlook**
Dave Wajsgas, SVP & CFO

- IV. Q & A**



Customer-Focused Strategy Driving Success

- Record quarterly net sales of \$3.9 billion
- Earnings per share of \$1.01, up 44% from prior year's comparable basis
- Strong cash flow and continued debt reduction
- Named a 2002 "Supplier of the Year" by General Motors
- Received three World Excellence Awards from Ford Motor Company
- Ranked as America's 'Most Admired' Company in the Motor Vehicle Parts Industry by Fortune® Magazine

***Another Quarter of Solid Operating
and Financial Performance***

Lear Named America's Most Admired Automotive Parts Supplier



<u>Rank</u>	<u>Previous Rank</u>	<u>Company</u>	<u>Overall Score</u>	<u>Attributes of Reputation *</u>	
1	3	Lear Corporation	7.34	Quality of Product/Services	#1
2	1	Johnson Controls	7.21	Quality of Management	#1
3	2	Delphi Corporation	5.92	Innovativeness	#1
4	N/A	Goodyear Tire	5.60	Use of Corporate Assets	#1
5	6	Dana	5.34	Employee Talent	#1
6	5	TRW	5.11	Long-Term Investment Value	#1
7	8	ArvinMeritor	4.82	Social Responsibility	#1
8	7	Visteon	4.45	Financial Soundness	#2
9	N/A	Bridgestone/Firestone	3.86		
10	10	Federal-Mogul	2.99		

Source: Fortune, March 3, 2003 Issue

* Motor Vehicle Parts Industry Rank

**Lear Moves up to First from Third in
Fortune's Most Admired Survey**

Major Customer Initiatives

Interior Integration - Lear is leading GM's Total Interior Integration initiative with the first-ever TI award and working cooperatively to support GM's efforts to deliver "crafted interiors"

Team Value Management - TVM is a comprehensive program to eliminate waste and improve quality, and Lear has established a TVM benchmarking facility. Our aim is to become Ford's #1 TVM supplier and to utilize the TVM process throughout our supply chain

Warranty Reduction Program - Lear is DaimlerChrysler's highest quality seat supplier and best performing supplier in warranty reduction

European Turnaround Plans - Lear is supporting cost and quality improvement initiatives with Fiat and Opel, two of our largest European customers

***Lear is a Customer-Focused and
Performance-Driven Company***

Six Sigma - Deployed globally with 700 blackbelts and over 4,000 greenbelts in place; 8,000 projects now complete

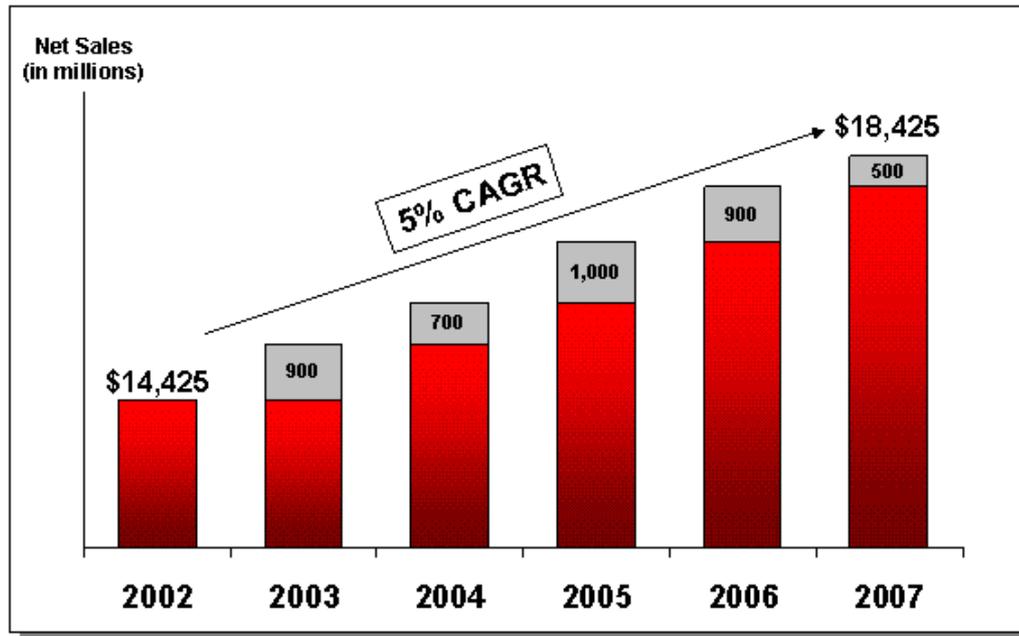
Lean Manufacturing - Lean Manufacturing action plans now in place in about 90% of our facilities worldwide

New Product Launches Globally - Lear is working closely with all of our customers to ensure high-quality launches for a record 225 programs this year; these programs represent \$900 million in new business

Five Year Sales Backlog - Highest level ever; emphasis on total interiors, instrument panels and cockpit systems, electronics and growing our business with Asian OEMs

***Our Operating Focus is on Continuously
Improving the Fundamentals of our Business***

Sales Backlog Supports 5% Annual Revenue Growth



- *Lear positioned for 5% annual sales growth*
- *Based on current backlog and a constant 16M vehicle production environment in both North America and Western Europe*

Broader Definition of Automotive Interior Market

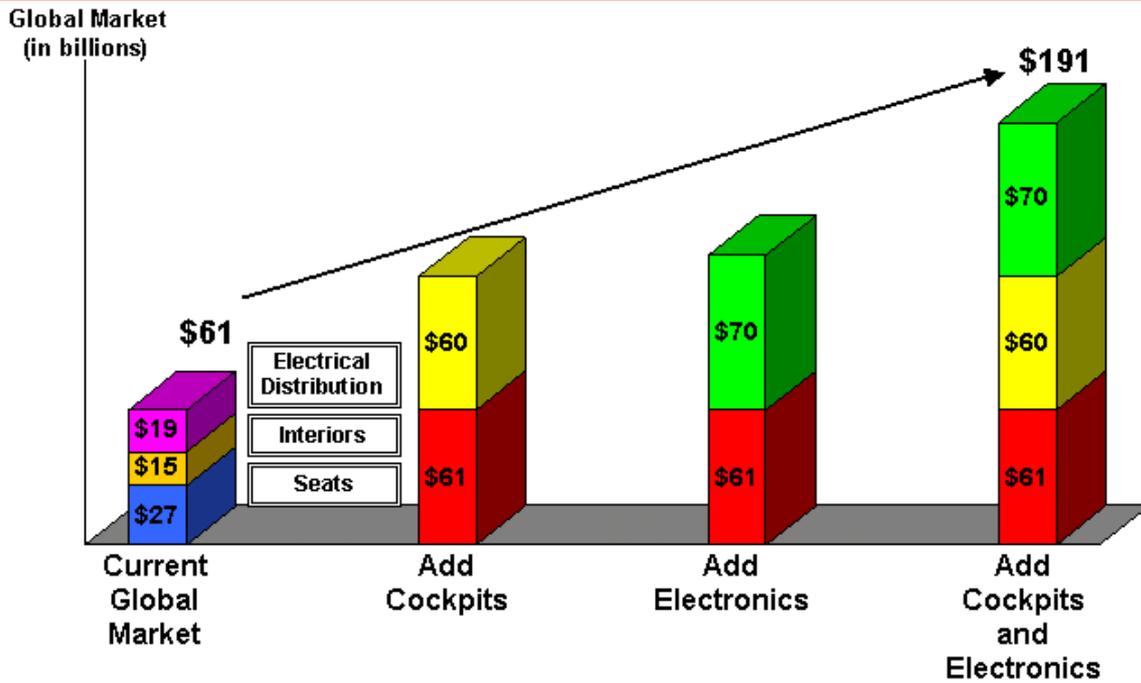


Cockpits

Electronics



Total Size of Broader Market (Global)



A Broader Focus on Cockpits and Electronics Significantly Expands Lear's Potential Market

Production Environment - First Quarter 2003

North America

- Industry production up 3%; Big Three up 1%
- CPV of \$594 up 3% from a year ago, reflecting new business

Western Europe

- Industry production down 2%; key Lear customers/platforms down more than industry average
- CPV adjusted for foreign exchange was up slightly, reflecting adverse mix
- Euro 22% stronger than a year ago

Worldwide

- \$240 million or 7% of new Lear business added globally

Financial Review



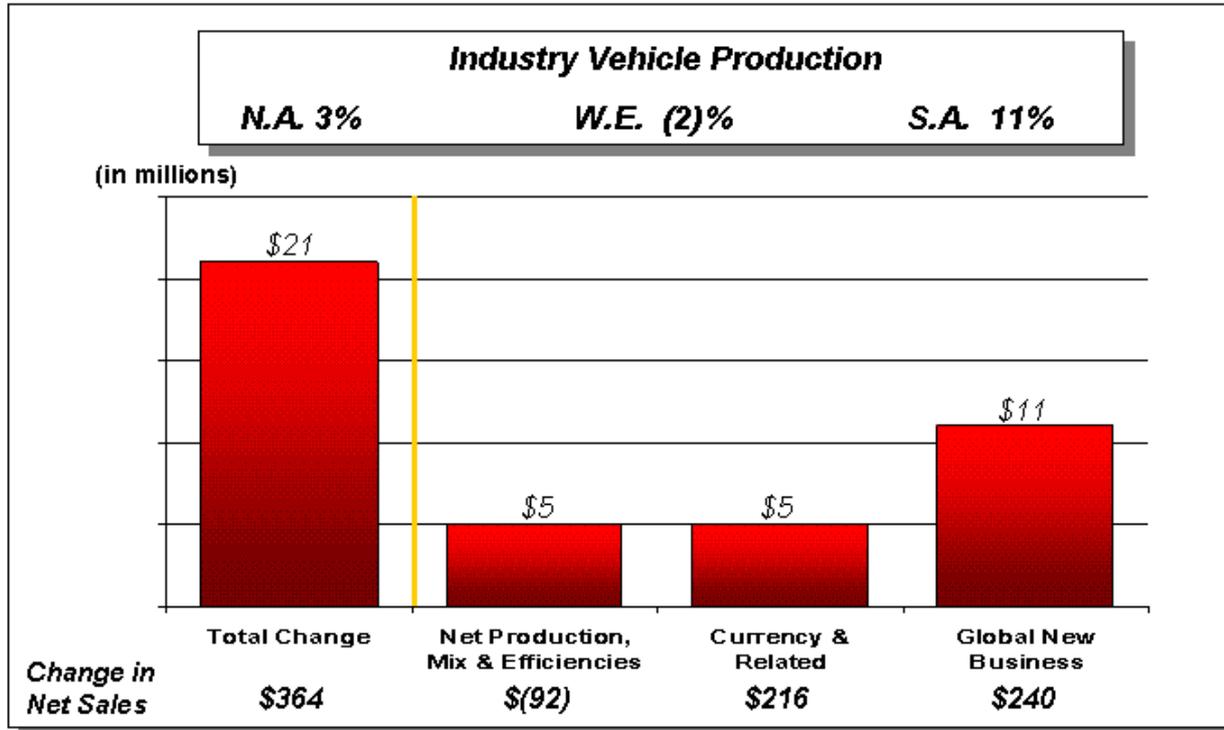
Financial Highlights - First Quarter 2003

(in millions, except earnings per share)	First Quarter 2003	First Quarter 2002	1Q '03 B/(W) 1Q '02
Net Sales	\$ 3,898.7 ✓	\$ 3,534.6	\$ 364.1
Operating Income	\$ 161.9	\$ 141.0	\$ 20.9
O/I Margin	4.2 %	4.0 %	20 bps
Net Income *	\$ 67.9	\$ 46.4	\$ 21.5
Earnings Per Share *	\$ 1.01	\$ 0.70	\$ 0.31
SG&A % of Sales	3.8 %	3.7 %	(10)bps
Interest Expense	\$ 53.1	\$ 57.0	\$ 3.9
Other Expense, Net	\$ 11.8	\$ 14.2	\$ 2.4
Vehicle Production (000)			
North America	4,166	4,058	108
Western Europe	4,165	4,235	(70)

✓ Record

* Excludes cumulative effect of a change in accounting principle of \$298.5 million, or \$4.50 per share in 2002

1Q03 versus 1Q02 - Change in Operating Income



1Q03 Free Cash Flow

	<u>First Quarter 2003</u> (in millions)
Net Income	\$ 68
Depreciation	74
Working Capital / Other	8
Cash from Operations *	\$ 150
Capital Expenditures	(70)
Free Cash Flow	<u><u>\$ 80</u></u>

* Excludes net change in sold accounts receivable of \$53 million

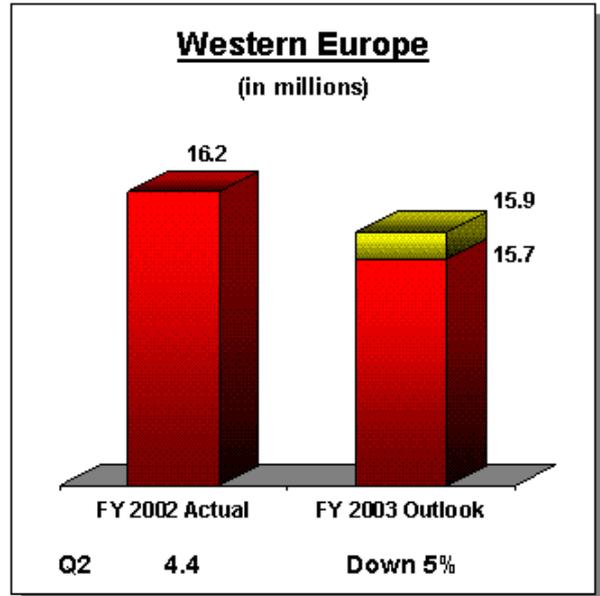
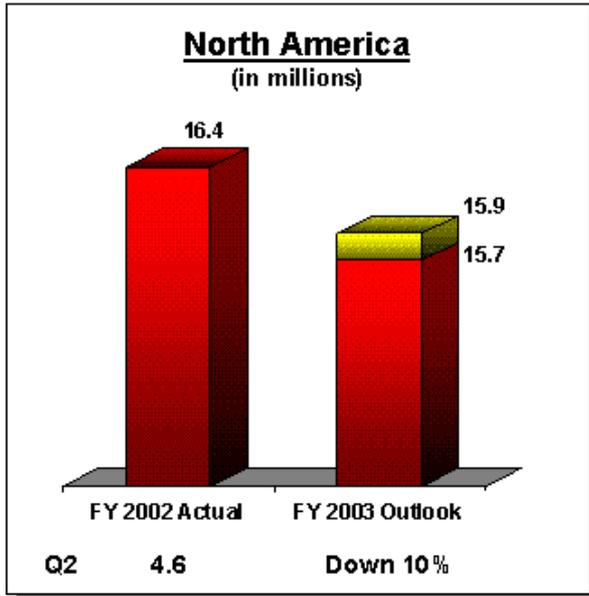
North America

- U.S. retail sales in February were below 16 million annual rate; March sales slightly above 16 million annual rate
- Second quarter production scheduled to be down 10%, with Big Three down about 15%
- New round of zero percent financing programs announced in April
- Consensus full year production now estimated below 16 million vehicles; we are reducing our production outlook to 15.7 - 15.9 million range

Western Europe

- Industry conditions continue to be challenging
- Second quarter production expected to be down 5%; production at several Lear customers down greater than industry average
- Full year production now estimated at 15.7 - 15.9 million vehicles, down from 16.2 million in 2002
- Euro projected to be 12% - 15% stronger than last year

2003 Vehicle Production Outlook



2003 Production Down in North America and Western Europe

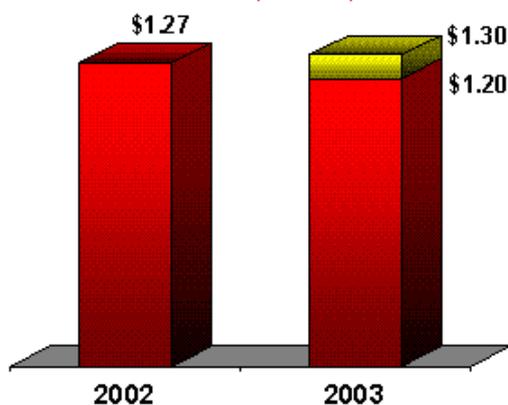
Financial Review

2003 Guidance



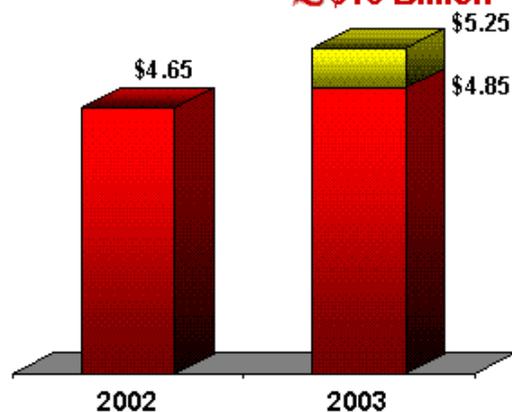
Second Quarter Earnings Per Share

*Net Sales of
\$3.8 - \$3.9 Billion*



Full Year Earnings Per Share

*Net Sales of
≈ \$15 Billion*



Interest Expense \$ 50 M
Capital Expenditures \$ 100 M
Free Cash Flow \$ 75 M

Interest Expense \$ 200 M
Capital Expenditures \$ 300 M
Free Cash Flow \$ 350 - 400 M

Note: Full year 2002 earnings per share excludes the impact of goodwill impairment of \$298.5M after-tax, or \$4.50 per share.

Put Our Customers First in Everything We Do

- **Stay focused on what we can control - - quality, customer service, cost and delivery**
- **Operate with a LBO mentality**
- **Work together as a cohesive team**
- **Continuously improve the fundamentals of our business**
- **Conduct our business with integrity and humility**
- **Never quit until the customer is completely satisfied**



LEAR
CORPORATION

ADVANCE RELENTLESSLY™

NYSE: LEA

www.lear.com

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to general economic conditions in the markets in which we operate, including changes in interest rates and fuel prices, fluctuations in the production of vehicles for which we are a supplier, labor disputes involving us or our significant customers or that otherwise affect us, our success in achieving cost reductions that offset or exceed customer-mandated selling price reductions, increases in our warranty costs, risks associated with conducting business in foreign countries, fluctuations in currency exchange rates, adverse changes in economic conditions or political instability in the jurisdictions in which we operate, competitive conditions impacting our key customers, raw material shortages and economics, unanticipated changes in free cash flow and other risks detailed from time to time in our Securities and Exchange Commission filings. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

In addition, this presentation includes certain non-GAAP financial measures, such as free cash flow. These measures should not be considered in isolation or as a substitute for measures determined in accordance with GAAP. Please refer to our First Quarter earnings release, posted on our website, through the investor relations link, at www.lear.com, for additional information regarding our use of non-GAAP financial measures.