

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) **January 13, 2005**

LEAR CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

1-11311

13-3386776

(State or other
jurisdiction of
incorporation)

(Commission File Number)

(IRS Employer
Identification
Number)

21557 Telegraph Road, Southfield, Michigan

48034

(Address of principal executive offices)

(Zip Code)

(248) 447-1500

(Registrant's telephone number, including area code)

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 7 — Regulation FD.

Item 7.01 — Regulation FD Disclosure.

On January 13, 2005, Lear Corporation issued a press release providing its 2005 financial guidance and sales backlog and disclosing its quarterly dividend. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On January 13, 2005, certain officers of Lear Corporation will make a presentation at the Auto Analysts of New York 2005 Detroit Auto Conference. The visual slides from the presentation are attached hereto as Exhibit 99.2 and 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.

Section 9 — Financial Statements and Exhibits.

Item 9.01 — Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release issued January 13, 2005, furnished herewith.

99.2 Visual slides from the presentation to be made by certain officers of Lear Corporation at the Auto Analysts of New York 2005 Detroit Auto Conference on January 13, 2005, furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lear Corporation

Date: January 13, 2005

By: /s/ David C. Wajsgras

Name: David C. Wajsgras

Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| 99.1 | Press release issued January 13, 2005, furnished herewith. |
| 99.2 | Visual slides from the presentation to be made by certain officers of Lear Corporation at the Auto Analysts of New York 2005 Detroit Auto Conference on January 15, 2005, furnished herewith. |

FOR IMMEDIATE RELEASE

Contacts:

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(248) 447-1624**

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(248) 447-1651**

**Lear Provides 2005 Financial Guidance,
Increases Sales Backlog and
Raises Quarterly Dividend**

Southfield, Mich., January 13, 2005 — Lear Corporation [NYSE: LEA] today provided 2005 financial guidance, announced an increase in its three-year sales backlog to \$3.8 billion and raised its quarterly dividend by 25% to \$0.25 per share.

For 2005, Lear's planning assumption for industry vehicle production is a range of 15.7 to 16.0 million units in North America and a range of 18.3 to 18.6 million units in Europe, both roughly in line with 2004. Lear expects record worldwide net sales in 2005 of \$17.6 to \$18.0 billion, reflecting primarily the addition of new business globally.

Lear anticipates 2005 net income to be in the range of \$5.00 to \$6.00 per share. Capital spending is forecasted in the range of \$425 to \$475 million, to support new sales growth. Free cash flow is expected to be approximately \$250 million, which includes the negative impact of changes in customer payment terms. Lear's effective tax rate is expected to be in the range of 25% to 27%.

Lear's three-year sales backlog improved by \$750 million to \$3.8 billion, reflecting the addition of new business globally. The next quarterly dividend of \$0.25 per share is payable on March 14, 2005, to shareholders of record at the close of business on February 25, 2005.

"Our 2005 outlook reflects another year of record sales, driven by our commitment to improve product quality and customer satisfaction," said Bob Rossiter, Lear Chairman and Chief Executive Officer. "We are working hard to offset the adverse effects of rising raw material prices and an uncertain production environment, and the increase in our dividend reflects the company's confidence in the long-term outlook for the business."

Lear's management will discuss the 2005 outlook and related financial matters in further detail on Thursday, January 13, 2005, at 3:00 p.m. EST as part of the Auto Analysts of New York 2005 Detroit Auto Conference. Interested parties can access a live audio webcast of the presentation at Lear's website at www.lear.com. A replay of the presentation will be available immediately following the live presentation and will be archived for one month.

Lear Corporation, a FORTUNE 500 company headquartered in Southfield, Michigan, USA, focuses on integrating complete automotive interiors, including seat systems, interior trim and electrical systems. Further information about Lear and its products is available on the internet at www.lear.com.

Use of Non-GAAP Financial Information

The Company has provided a forecast in this news release of "free cash flow" (a non-GAAP financial measure). Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. The Company believes it is appropriate to exclude the net change in sold accounts receivable in the calculation of free cash flow since the sale of receivables may be viewed as a substitute for borrowing activity.

Management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses free cash flow for planning and forecasting in future periods.

Free cash flow should not be considered in isolation or as a substitute for net income, net cash provided by operating activities or other cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or other discretionary uses. Also, free cash flow, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

For a reconciliation of historical free cash flow to net cash provided by operating activities, see the Auto Analysts of New York 2005 Detroit Auto Conference presentation which, together with this press release, has been posted on the Company's website at www.lear.com.

Forward-Looking Statements

This press 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 suppliers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, the outcome of customer productivity

negotiations, the impact and timing of program launch costs, the costs and timing of facility closures or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, fluctuations in foreign 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, the Company's ability to mitigate the significant impact of recent increases in raw material prices, the Company's ability to successfully integrate the recently acquired terminals and connectors operations, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in free cash flow and other risks described from time to time in the Company's Securities and Exchange Commission filings.

This press release also contains information on the Company's sales backlog. The Company's incremental three-year sales backlog reflects: anticipated net sales from formally awarded new programs, less net sales from phased-out and cancelled programs. The calculation of backlog does not reflect customer price reductions on existing or newly-awarded programs. The three-year backlog may be impacted by various assumptions embedded in the calculation, including vehicle production levels on new and replacement programs, foreign exchange rates and the timing of major program launches.

In addition, the 2005 per share earnings guidance is based on an assumed 74 million shares outstanding, including approximately 4.8 million shares related to our outstanding contingent convertible debt.

The forward-looking statements in this press release are made as of the date hereof, and the Company does not assume any obligation to update them.

#



Exhibit 99.2

*Auto Analysts of New York
Detroit Auto Conference
January 13, 2005*

world's leading automotive interior supplier

▶▶ *advance relentlessly*

fast forward



Agenda

I. Company Overview

Bob Rossiter, Chairman & CEO

II. Operating Review

Jim Vandenberghe, Vice Chairman

III. 2005 Financial Guidance and Sales Backlog Update

Dave Wajsglas, SVP & CFO

IV. Panel Q & A Session

Company Overview

Highlights of Today's Presentation

- ▶▶ Global business conditions are challenging
- ▶▶ Following a consistent, disciplined strategy to deliver profitable growth
- ▶▶ Three-year sales backlog increases to \$3.8 billion
- ▶▶ Solid 2005 financial outlook; dividend increased

Business Conditions

- ▶▶ Continued mixed economic signals
- ▶▶ North American and European vehicle production down in first quarter
- ▶▶ Raw material prices negatively impacting earnings
- ▶▶ Fierce global competition for market share

*Significant Adverse Earnings Impact In First Quarter;
Improving Outlook For Balance Of 2005*

We Have a Balanced, Long-Term Approach to Creating Shareholder Value



- ▶▶ Leverage our core capabilities as a leader in automotive interiors to profitably grow our business worldwide;
 - Deliver the highest quality and customer satisfaction in the industry
 - Expand our presence in Asia and with Asian manufacturers globally
 - Leverage our scale, expertise and common architecture strategy to improve the value equation
 - Maintain global competitiveness by growing our low-cost manufacturing and engineering capability
 - Invest in new business development and plant efficiency initiatives
- ▶▶ Maintain a strong and flexible balance sheet
- ▶▶ Return cash to shareholders through share repurchases and dividends

Asian Strategy

- ▶▶ Leverage JVs and strategic partnerships to support Japanese and Korean OEMs globally
- ▶▶ Support growth of traditional North American and European customers in Asia
- ▶▶ Expand low-cost manufacturing and engineering capability
- ▶▶ Continue to expand presence in China

New Asian Business in 2004

- ▶▶ Expanded relationship with Hyundai globally
- ▶▶ Formed JV with Tachi-S for Nissan seating
- ▶▶ Won new China seating business for Audi A6
- ▶▶ Formed JV in Korea to support seating for GM Daewoo
- ▶▶ Awarded Mazda seating business in the U.S.

Operating Review

Operating Review

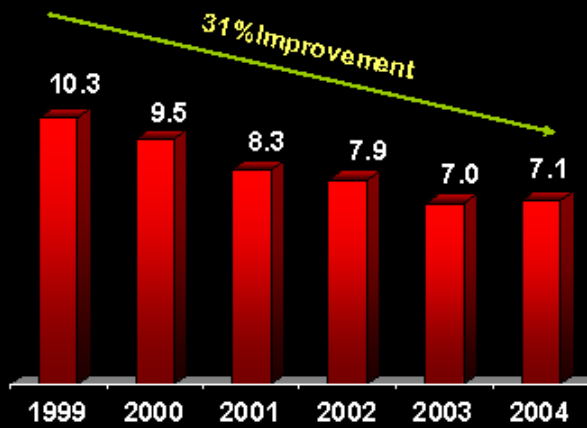
- ▶▶ Strategy to mitigate the impact of higher raw material prices
- ▶▶ Continued emphasis on quality and customer satisfaction
- ▶▶ Investment in new facilities to support growth and low-cost initiatives
- ▶▶ Significant new product launch year, including GM total interior integrator program
- ▶▶ Content per vehicle growth in North America and Europe

Strategy to Mitigate Higher Raw Material Prices

- ▶▶ Supply base compression
- ▶▶ Re-sourcing – develop new sources of supply
- ▶▶ In-sourcing – fill open capacity where appropriate
- ▶▶ Lear's Cost Technology Optimization process
- ▶▶ Low-cost country sourcing and engineering
- ▶▶ Supplier Lean Manufacturing and Six Sigma
- ▶▶ Further consolidation of administrative functions
- ▶▶ Factor into customer productivity requirements

J.D. Power Quality Measurements

Things Gone Wrong (TGW) per 100 vehicles



Source: 2003 J.D. Power Seat Survey

Lear's 2004 J.D. Power Results

- ▶ Sustained low level of TGW in 2004
- ▶ Over 30% improvement since 1999
- ▶ Seven Best-in-Segment vehicles
 - Midsize and full-size car / premium sports car
 - Light duty and heavy duty full-size pickup
 - Entry luxury SUV / full-size van

***Highest Quality Seat Manufacturer
Supplying Multiple OEMs***

2005 Key Product Launches

| <u>Product</u> | <u>Lear Content</u> |
|---|---------------------------------------|
| <u>Americas</u> | |
| ▶▶ Cadillac DTS / Buick LeSabre replacement | Total interior integrator program |
| ▶▶ DCX Dodge Ram Truck | Seats, doors, IP, overhead systems |
| ▶▶ Ford Explorer / Mountaineer | Seats, doors, electrical distribution |
| ▶▶ Hyundai Sonata | Seats, electrical distribution |
| <u>International</u> | |
| ▶▶ Audi A6 – China | Seats |
| ▶▶ BMW 3-Series | Seats, electronics |
| ▶▶ Fiat Punto | Seats, doors, headliner |
| ▶▶ Nissan Serena / Liberty | Electrical distribution |
| ▶▶ Peugeot 1007 | Seats |

Total Interior Integrator Program Update
for Cadillac DTS / Buick LeSabre Replacement



- ▶▶ Program meeting financial targets
- ▶▶ Meeting harmony and craftsmanship targets
- ▶▶ Best-in-class rating for seat comfort
- ▶▶ Manufacturing readiness on target
- ▶▶ Vehicles debut at Chicago Auto Show in February

On Track To Deliver World Class Interiors

Ongoing Manufacturing Footprint Changes

Efficiency Actions

- ▶▶ Downsizing, closures and relocations impacted 15 facilities in 2004

Growth Opportunities

- ▶▶ New facilities opened to support business in China, Korea, Czech Republic and Slovakia

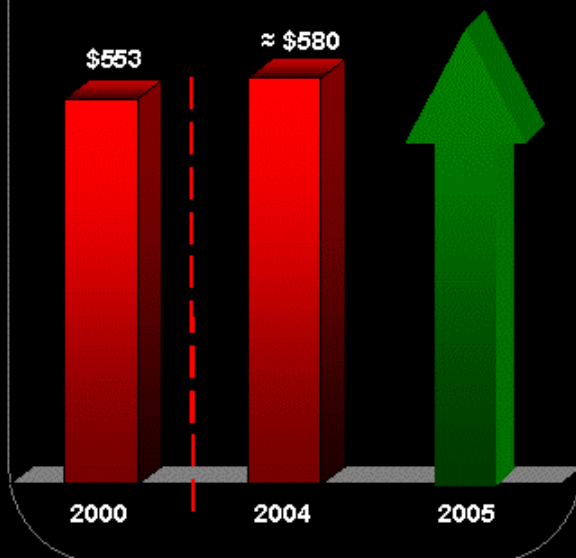
Low-Cost Country

- ▶▶ Presently, Lear has low-cost operations in 13 countries
- ▶▶ Plans to expand operations in Mexico, Honduras, Poland, Romania and Philippines
- ▶▶ Approximately 20% of sales manufactured in low-cost locations

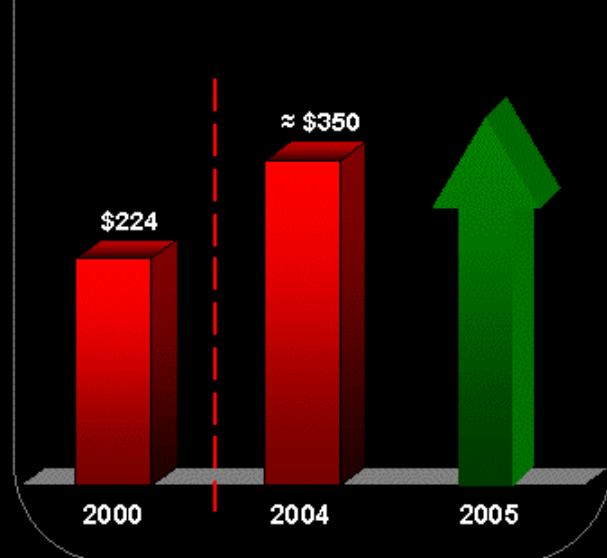
Investing In Footprint Actions Globally To Support Growth Opportunities And Low-Cost Country Strategy

Growing Our Content Per Vehicle

North American CPV to Improve in 2005*



European CPV Growth to Moderate in 2005*



* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

Focused Strategy Has Allowed Lear to Deliver Solid Results

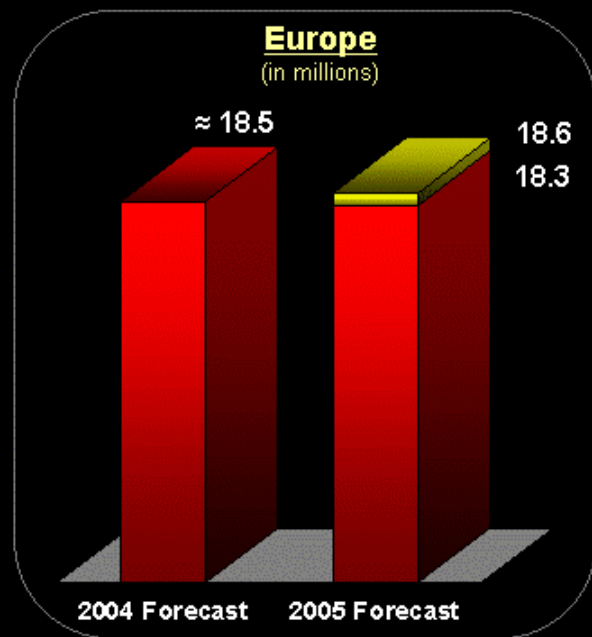
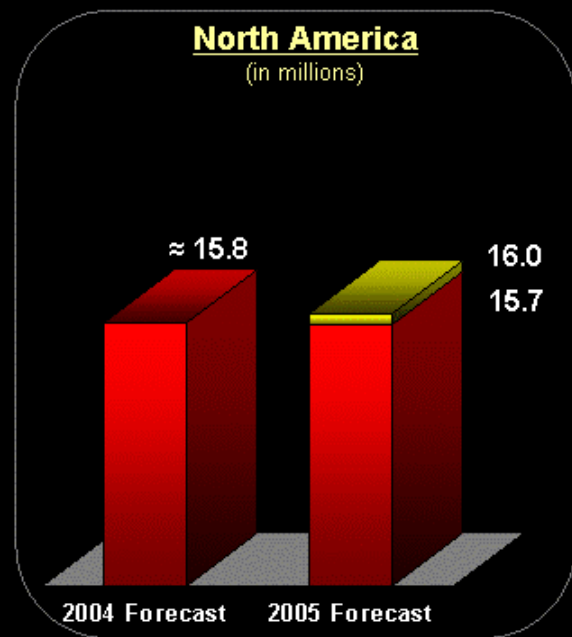


- ▶▶ Core operating fundamentals remain strong
- ▶▶ Proactively addressing near term challenges
- ▶▶ Investing in sales growth and customer diversification
- ▶▶ Well positioned to continue to deliver superior value

*Despite Industry Challenges,
Long Term Outlook Remains Strong*

2005 Financial Guidance

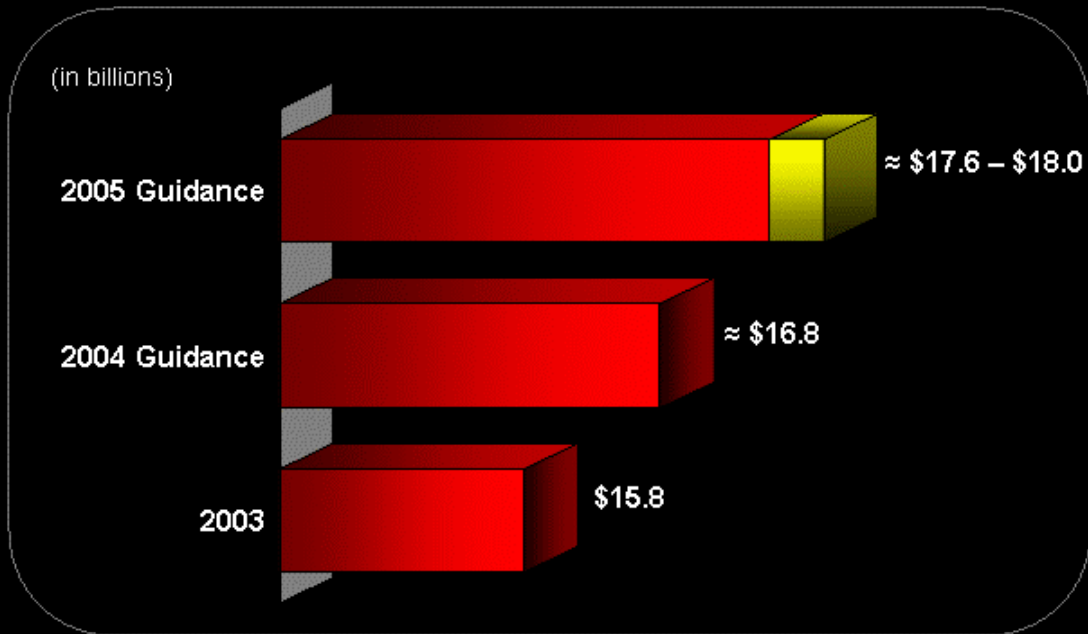
2005 Outlook Vehicle Production Assumptions*



2005 Production Stable In North America And Europe

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

2005 Outlook Net Sales*



Record Net Sales In 2005 Anticipated

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

2005 Outlook Net Income Per Share*



2004 Guidance



2005 Guidance

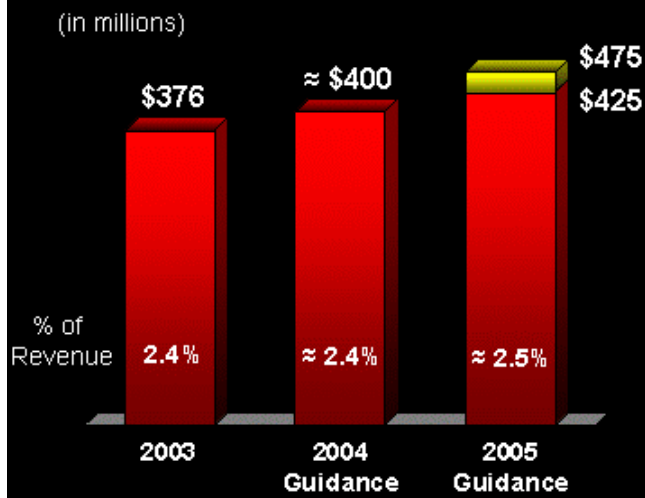
Range of \$5.00 to \$6.00 per share, depending on:

- ▶ Production levels & platform mix
- ▶ Impact on supply chain from sustained high level of raw material prices
- ▶ Customer productivity negotiations

2005 Net Income Per Share Impacted By Uncertainty Surrounding Production / Mix And Raw Material Price Pressures

* Includes the dilutive impact of the Company's outstanding convertible senior notes; approximately \$0.26-0.27 for 2004. Please see slides titled "Use of Non-GAAP Financial Information" and "Forward-Looking Statements" at the end of this presentation.

Capital Spending*



- ▶ 2005 and 2006 backlog of \$2.9 billion
- ▶ Low-cost country strategy
- ▶ Common architecture
- ▶ Quality initiatives

Capital Spending Increases To Support Profitable Growth

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

2005 Outlook Free Cash Flow **



(in millions)



- ▶ Cash flow from on-going operations remains solid
- ▶ Higher level of capital for new business and quality initiatives
- ▶ One-time impact of timing change in customer payment terms to beyond month-end

Daily Average Free Cash Flow Remains Strong

* Excluding effect of change in customer payment terms.

** Please see slides titled "Use of Non-GAAP Financial Information" and "Forward-Looking Statements" at the end of this presentation.

2005 Financial Guidance*

| | <u>Full Year</u> |
|----------------------|-------------------------|
| Net Sales | \$17.6 – \$18.0 billion |
| Net Income Per Share | \$5.00 – \$6.00 |
| Interest Expense | \$170 – \$175 million |
| Tax Rate | 25% – 27% |
| Depreciation | \$400 – \$425 million |
| Capital Expenditures | \$425 – \$475 million |

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

Factors Impacting Quarterly Results in 2005*



First Quarter

- ▶ Lower industry production and unfavorable Lear platform mix
- ▶ Timing of commercial agreements with customers / suppliers

Second Quarter – Fourth Quarter

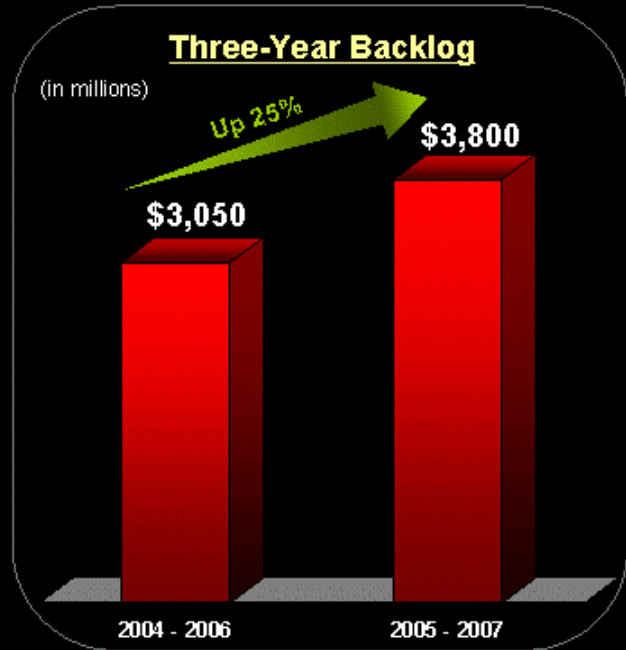
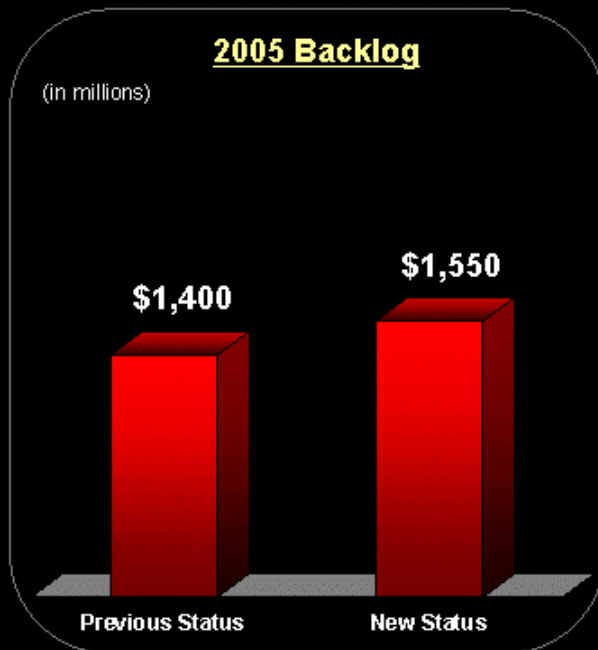
- ▶ Improving production & mix environment and timing of sales backlog
- ▶ Favorable impact of cost reductions and raw material price mitigation actions

***Unfavorable Production Environment And Raw Material Prices
Will Disproportionately Affect First Quarter***

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

Sales Backlog Update

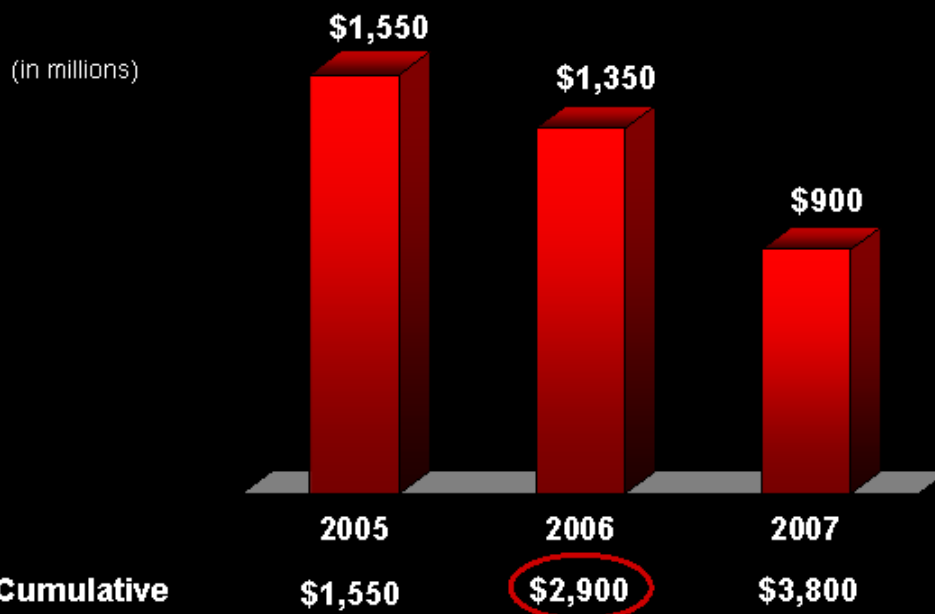
Backlog Growth^{*}



- ▶▶ *Interior And Electronic / Electrical Represent Half Of Three-Year Backlog*
- ▶▶ *European And Asian Customers Represent Almost Half Of Three-Year Backlog*

^{*} Please see slide titled "Forward-Looking Statements" at the end of this presentation.

2005 – 2007 Backlog*



Upside Opportunity In 2007 From Open Sourcing

* Please see slide titled "Forward-Looking Statements" at the end of this presentation.

Sales Backlog Methodology

New Method (3 years)

- + Awarded business
- Rolling off / resourced business
- = Sales Backlog

- ▶▶ Increases comparability with peers
- ▶▶ Captures 'full value' of new business awards
- ▶▶ Reduces fluctuations due to program timing uncertainty

New Method Provides A Simplified Reflection Of New Business Awarded And Is Consistent With Industry Practice

Dividend Increase

- ▶▶ Increased quarterly dividend from \$0.20 to \$0.25 per share
 - Payable on March 14, 2005, to shareholders of record February 25, 2005
- ▶▶ Indicative annual dividend rate for 2005 of \$1.00 per share
- ▶▶ Dividend policy going forward:
 - Payout levels reviewed annually in connection with financial guidance

***Dividend Increase Reflects
Strong Financial Position And Sales Backlog***

Summary

- ▶▶ Overall Company strategy remains unchanged
- ▶▶ 2005 financials remain strong despite challenging environment
- ▶▶ New sales backlog supports continued growth
- ▶▶ Dividend increase reflects Company's confidence in the long term

*Lear Remains Focused On Delivering Superior Value
To Our Customers And Our Shareholders Over Time*



ADVANCE RELENTLESSLY™



▶▶ www.lear.com

Use of Non-GAAP Financial Information

The Company has provided information regarding "free cash flow" and net income per share adjusted to exclude a one-time tax benefit (non-GAAP financial measures) in this presentation. Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. The Company believes it is appropriate to exclude the net change in sold accounts receivable in the calculation of free cash flow since the sale of receivables may be viewed as a substitute for borrowing activity.

Management believes that the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company's financial position and results of operations. In particular, management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses free cash flow for planning and forecasting in future periods. Management believes that net income per share adjusted to exclude a one-time tax benefit is useful in assessing the Company's financial performance by excluding a tax benefit that is not indicative of the Company's continuing earnings.

Neither free cash flow nor net income per share adjusted to exclude a one-time tax benefit should be considered in isolation or as a substitute for net income, net income per share, net cash provided by operating activities or other income or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Set forth on the following slide is a reconciliation of free cash flow to net cash provided by operating activities and net income per share guidance adjusted to exclude a one-time tax benefit to net income per share determined in accordance with GAAP.

Use of Non-GAAP Financial Information

Free Cash Flow



| | <u>2003</u> |
|--|-----------------|
| Free Cash Flow (in millions) | |
| Net cash provided by operating activities | \$ 586.3 |
| Net change in sold accounts receivable | <u>298.1</u> |
| Net cash provided by operating activities before net change in sold accounts receivable | 884.4 |
| Capital expenditures | <u>(375.6)</u> |
| Free cash flow | <u>\$ 508.8</u> |

Net Income Per Share Adjusted To Exclude A One-Time Tax Benefit

| | <u>2004</u> | |
|---|----------------|------------------|
| Net income per share guidance | \$ 5.71 | - \$ 5.81 |
| One-time tax benefit* | <u>0.22</u> | <u>0.22</u> |
| Net income per share guidance adjusted to exclude a one-time tax benefit | <u>\$ 5.49</u> | <u>- \$ 5.59</u> |

* Third Quarter tax benefit from a prior years' tax settlement.

Forward-Looking Statements

This presentation 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 suppliers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, the outcome of customer productivity negotiations, the impact and timing of program launch costs, the costs and timing of facility closures or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, fluctuations in foreign 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, the Company's ability to mitigate the significant impact of recent increases in raw material prices, the Company's ability to successfully integrate the recently acquired terminals and connectors operations, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in free cash flow and other risks described from time to time in the Company's Securities and Exchange Commission filings.

This presentation also contains information on the Company's sales backlog. The Company's incremental sales backlog reflects: anticipated net sales from formally awarded new programs, less phased-out and cancelled programs. The calculation of backlog does not reflect customer price reductions on existing or newly-awarded programs. The backlog may be impacted by various assumptions embedded in the calculation, including vehicle production levels on new and replacement programs, foreign exchange rates and the timing of major program launches.

In addition, the full year 2004 and 2005 per share earnings guidance is based on an assumed 75 million and 74 million shares outstanding, respectively, and reflects the adoption of Emerging Issues Task Force ("EITF") 04-08, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share."

The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update them.