

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 22, 1999

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LEAR CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR
ORGANIZATION)

13-3386776
(I.R.S. EMPLOYER IDENTIFICATION NO.)

AND SUBSIDIARY GUARANTORS:

LEAR OPERATIONS CORPORATION
LEAR CORPORATION AUTOMOTIVE HOLDINGS
(EXACT NAME OF REGISTRANTS AS SPECIFIED IN THEIR RESPECTIVE CHARTERS)

DELAWARE
DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION OR
ORGANIZATION)

38-3265872
11-2462850
(I.R.S. EMPLOYER IDENTIFICATION NO.)

3714
(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)

21557 TELEGRAPH ROAD
SOUTHFIELD, MI 48086-5008
(248) 447-1500
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING
AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JOSEPH F. MCCARTHY, ESQ.
LEAR CORPORATION
21557 TELEGRAPH ROAD
SOUTHFIELD, MI 48086-5008
(248) 447-1500
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE
NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:
JOHN L. MACCARTHY
DANIEL A. NINIVAGGI
WINSTON & STRAWN
200 PARK AVENUE
NEW YORK, NY 10166
(212) 294-6700

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE(2)
7.96% Series B Senior Notes due 2005.....	\$600,000,000	100%	\$600,000,000	\$166,800
Guarantees of 7.96% Series B Senior Notes due 2005.....	\$600,000,000	--	--	(2)
8.11% Series B Senior Notes due 2009.....	\$800,000,000	100%	\$800,000,000	\$222,400
Guarantees of 8.11% Series B Senior Notes due 2009.....	\$800,000,000	--	--	(2)
Total.....	\$1,400,000,000	100%	\$1,400,000,000	\$389,200

(1) In accordance with Rule 457(f)(2), the registration fee is calculated based on the book value, which has been calculated as of June 17, 1999, of the outstanding 7.96% Senior Notes due 2005 and 8.11% Senior Notes due 2009 of Lear Corporation.

(2) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee is payable for the Guarantees.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. LEAR MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED JUNE 22, 1999

PROSPECTUS

EXCHANGE OFFER
FOR
ALL OUTSTANDING
7.96% SENIOR NOTES DUE 2005
AND
8.11% SENIOR NOTES DUE 2009
OF

LEAR CORPORATION
THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON , 1999, UNLESS EXTENDED

TERMS OF THE EXCHANGE OFFER

- Lear is offering to exchange registered 7.96% Series B Senior Notes due 2005 for all of its original unregistered 7.96% Senior Notes due 2005 and registered 8.11% Series B Senior Notes due 2009 for all of its original unregistered 8.11% Senior Notes due 2009.
- The terms of the exchange securities are identical in all respects to the terms of the original securities for which they are being exchanged, except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the original securities are not applicable to the exchange securities.
- Subject to the satisfaction or waiver of specified conditions, Lear will exchange the applicable exchange securities for all original securities that are validly tendered and not withdrawn prior to the expiration of the exchange offer.
- You may withdraw tenders of original securities at any time prior to the expiration of the exchange offer.
- The exchange of original securities for exchange securities pursuant to the exchange offer generally will not be a taxable event for U.S. federal income tax purposes. See "United States Federal Income Tax Considerations."
- Lear will not receive any proceeds from the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

THIS PROSPECTUS IS DATED , 1999.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. You may inspect and copy such material at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the Securities and Exchange Commission's regional offices at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, Suite 1300, New York, New York 10048. You may also obtain copies of such material from the Securities and Exchange Commission at prescribed rates by writing to the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W.,

Washington, D.C. 20549. In addition, reports, proxy statements and other information concerning Lear can be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005, where Lear's common stock is listed.

Please call the Securities and Exchange Commission at 1-800-SEC-0330 for more information on the public reference rooms. You can also find our Securities and Exchange Commission filings at the Securities and Exchange Commission's website at <http://www.sec.gov>.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Rather than include certain information in this prospectus that we have already included in reports filed with the Securities and Exchange Commission, we are incorporating this information by reference, which means that we can disclose important information to you by referring to those publicly filed documents that contain the information. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the Securities and Exchange Commission will automatically update and supersede the information in this prospectus. Accordingly, we incorporate by reference the following documents filed by us:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 1998;
2. Current Report on Form 8-K/A dated September 1, 1998, and filed with the Securities and Exchange Commission on November 17, 1998;
3. Current Report on Form 8-K dated May 4, 1999, and filed with the Securities and Exchange Commission on May 6, 1999;

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4. Current Report on Form 8-K dated May 7, 1999, and filed with the Securities and Exchange Commission on May 11, 1999; and
5. Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 1999.

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") after the date of this prospectus shall be deemed to be incorporated by reference in this prospectus and to be part of this prospectus from the date of the filing of such reports and documents. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated in this prospectus by reference shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may obtain, without charge, a copy of any of the documents incorporated by reference in this prospectus, other than exhibits to those documents that are not specifically incorporated by reference into those documents, by writing or telephoning Lear Corporation, 21557 Telegraph Road, P.O. Box 5008, Southfield, Michigan 48086-5008, Attention: Investor Relations (248) 447-1684.

Statements contained in this prospectus or in any document incorporated by reference in this prospectus as to the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement of which this prospectus is part or any other document incorporated in this prospectus by reference, each such statement being qualified in all respects by such reference.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated in this prospectus by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We typically use words such as "anticipate", "believe", "plan", "expect", "intend", "will", "may" and similar expressions to identify forward-looking statements. You are cautioned that actual results could differ materially from those anticipated in forward-looking statements. Any forward-looking statements, including statements regarding the

intent, belief or current expectations of Lear or its management, are not guarantees of future performance and involve risks, uncertainties and assumptions about us and the industry in which we operate, including, among other things:

- general economic conditions in the markets in which we operate;
- fluctuations in worldwide or regional automobile and light truck production;
- labor disputes involving us or our significant customers;
- changes in practices and/or policies of our significant customers toward outsourcing automotive components, systems and modules;
- fluctuations in currency exchange rates and other risks associated with doing business in foreign countries;
- risks relating to the impact of the year 2000;
- other risks detailed from time to time in our Securities and Exchange Commission filings; and
- those items identified in "Risk Factors."

All forward-looking statements in this prospectus are based on information available to us on the date of this prospectus. We do not intend to update or revise any forward-looking statements that we may make in this prospectus or other documents, reports, filings or press releases, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUMMARY

This brief summary highlights selected information from the prospectus. It may not contain all of the information that is important to you. We urge you to carefully read and review the entire prospectus and the other documents to which it refers to fully understand the terms of the exchange securities and the exchange offer.

LEAR

When we use the terms "Lear," "we," "us" and "our," unless otherwise indicated or the context otherwise requires, we are referring to Lear Corporation and its consolidated subsidiaries, including UT Automotive, which we acquired in May 1999. When we use the term "UT Automotive," we are referring to UT Automotive, Inc. together with its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires. When we use the term "EMS," we are referring to the Electric Motor Systems business of UT Automotive. Unless otherwise indicated, pro forma information included in this prospectus gives effect to the acquisition of Delphi's automotive seating business, the UT Automotive acquisition, the proposed sale of EMS and the application of the anticipated proceeds therefrom, the amendment and restatement of our prior senior credit facility in connection with the UT Automotive acquisition, borrowings under our new credit facilities in connection with the UT Automotive acquisition, the offering of the original securities and the application of the proceeds therefrom (collectively, the "Transactions"), as if such Transactions had occurred on January 1, 1998 for statement of operations data and April 3, 1999 for balance sheet data.

GENERAL

We are one of the ten largest independent automotive suppliers in the world. We are also the leading supplier of automotive interior systems in the estimated \$50 billion global automotive interior market and the third largest supplier in the estimated \$20 billion global automotive electrical distribution systems market. We have grown substantially over the last five years as a result of both internal growth and acquisitions. Our sales have grown from \$3.1 billion in 1994 to \$12.3 billion, on a pro forma basis, in 1998, a compound annual growth rate of 41.1%. Excluding the \$133 million restructuring and other charges recorded in 1998, operating income and EBITDA have grown from \$170 million and \$226 million in 1994 to \$560 million and \$916 million, on a pro forma basis, in

1998. Our present customers include every major automotive manufacturer in the world. These customers include Ford, General Motors, DaimlerChrysler, Fiat, Volkswagen, BMW, Volvo and Saab.

We have established in-house capabilities in all five principal segments of the automotive interior market: seat systems; flooring and acoustic systems; door panels; headliners; and instrument panels. We are the largest supplier in the estimated \$24 billion global seat systems market. In North America, we are one of the two largest suppliers in each of the other principal automotive interior markets, except the instrument panels market in which we are the fourth largest supplier. With the acquisition of UT Automotive, we also are one of the leading global suppliers of automotive electrical distribution systems. As a result of these capabilities, we are able to offer our customers fully integrated modules, as well as design, engineering and project management support for the entire automotive interior, including electronics and electrical distribution systems. We believe that our ability to offer automotive interiors with integrated electrical distribution systems provides us with a competitive advantage as automotive manufacturers continue to reduce their supplier bases and cost structures and to demand improved quality and greater product integration and enhanced technology.

We are focused on delivering high quality automotive interior systems and components to our customers on a global basis. Due to the opportunity for significant cost savings and improved product quality and consistency, automotive manufacturers have increasingly required their suppliers to manufacture automotive interior systems and components in multiple geographic markets. In recent years, we have followed our customers and expanded our operations significantly in Western Europe, as well as in

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Eastern Europe, South America, South Africa and the Asia/Pacific Rim region. As a result of our efforts to expand our worldwide operations, our sales outside the United States have grown from \$1.3 billion in 1994 to \$5.6 billion, on a pro forma basis, in 1998.

STRATEGY

Our principal objective is to expand our position as the leading supplier of automotive interior systems in the world and capitalize on integration opportunities that result from our new electrical distribution systems capabilities. We intend to build on our full service capabilities, strong customer relationships and worldwide presence to increase our share of the global automotive interior market. The specific elements of our strategy to achieve this objective include:

- ENHANCE STRONG RELATIONSHIPS WITH CUSTOMERS

We have developed strong relationships with our customers which allow us to identify business opportunities and anticipate customer needs in the early stages of vehicle design. We believe that working closely with our customers in the early stages of designing and engineering vehicle interior systems gives us a competitive advantage in securing new business.

- CAPITALIZE ON MODULE AND INTEGRATION OPPORTUNITIES

We believe that as automotive manufacturers continue to seek ways to improve quality and reduce costs, customers will increasingly look to independent suppliers, such as Lear, to:

- supply fully integrated modules, or "chunks," of the automotive interior; and
- act as systems integrators, by managing the design, purchase and supply of the total automotive interior.

Our global capability to manufacture the five principal segments of the automotive interior, as well as automotive electronics and electrical distribution systems, provides us with the ability to supply fully integrated modules and act as a systems integrator on a worldwide basis.

- CONTINUE GLOBAL EXPANSION

Global expansion will continue to be an important element of our growth strategy. As a result of our strong customer relationships and worldwide presence, we believe that we are well positioned to continue to grow with our customers as they expand their operations worldwide.

- INVEST IN PRODUCT TECHNOLOGY AND DESIGN CAPABILITY

We intend to continue to make significant investments in technology and design capability to support our products. Our investments in research and development are consumer-driven and customer-focused. Because automotive manufacturers increasingly view the vehicle interior as a major selling point to their customers, the focus of our research and development efforts is to identify new interior features that make vehicles safer, more comfortable and more attractive to consumers.

- INCREASE USE OF "JUST-IN-TIME" FACILITY NETWORK

We have established facilities that allow our customers to receive interior products on a "just-in-time" basis. The use of "just-in-time" manufacturing techniques minimizes inventories and fixed costs for both us and our customers and enables us to deliver products on as little as 90 minutes notice. Most of our "just-in-time" manufacturing facilities are dedicated to individual customers. We believe that combining our "just-in-time" manufacturing techniques with our systems integration capabilities provides us with an important competitive advantage in delivering total interior systems to automotive manufacturers.

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- GROWTH THROUGH STRATEGIC ACQUISITIONS

Strategic acquisitions have been an important element in our worldwide growth and in our efforts to capitalize on the globalization, integration and supplier consolidation trends. We intend to continue to review attractive acquisition opportunities that preserve our financing flexibility.

ACQUISITIONS AND EMS SALE

Prior to August 1995, we primarily produced seat systems and components. In 1995 and 1996, we made three major acquisitions which provided us with significant capabilities in the other four principal segments comprising a total automotive interior. In August 1995, we acquired Automotive Industries, which gave us a strong presence in door panels and headliners. In June 1996, we acquired Masland Corporation, a leading designer and manufacturer of floor and acoustic systems in North America. In December 1996, we acquired Borealis Industrier, a European manufacturer of instrument panels, door panels and other automotive interior components. These and other acquisitions broadened our product lines, expanded our customer base, strengthened our relationships with existing customers and enhanced our technological expertise.

On May 4, 1999, we acquired UT Automotive for a purchase price of approximately \$2.3 billion, subject to post-closing adjustments. UT Automotive is a leading independent supplier of automotive electrical distribution systems and produces a broad portfolio of automotive interior products, including instrument panels, headliners and door panels. UT Automotive also has an automotive and industrial motors business, which we have entered into an agreement to sell, as described below. With the acquisition of UT Automotive, we became the third largest supplier of automotive electrical distribution systems in the estimated \$20 billion global automotive electrical distribution systems market. We believe the opportunity to integrate these electrical distribution systems into the automotive interiors that we produce provides us with a unique competitive advantage. In addition, we significantly increased our presence in the headliner and instrument panel segments of the global automotive interiors market as a result of UT Automotive's position in North America as the second largest headliner supplier and the fourth largest instrument panel supplier.

On May 7, 1999, we entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell our recently acquired Electric Motor Systems business for \$310 million, subject to certain post-closing adjustments. It is expected that the proceeds of the sale of EMS will be used to repay indebtedness under our primary credit facilities. We acquired EMS on May 4, 1999 in our acquisition of UT Automotive. EMS is a supplier of industrial and automotive electric motors and starter motors for small gasoline engines. EMS

had 1998 sales of \$351 million and has approximately 3,300 employees operating at locations in 10 countries. Consummation of the sale is contingent upon expiration or termination of applicable waiting periods provided under the Hart-Scott-Rodino Antitrust Improvements Act, applicable foreign competition act approvals and certain other customary conditions.

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SUMMARY OF THE TERMS OF THE EXCHANGE OFFER

General..... On May 18, 1999, Lear completed a private offering of the original securities, which consist of \$600,000,000 aggregate principal amount of its 7.96% Senior Notes due 2005 and \$800,000,000 aggregate principal amount of its 8.11% Senior Notes due 2009. In connection with the private offering, Lear entered into a Registration Rights Agreement in which it agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the original securities.

The Exchange Offer..... Lear is offering to exchange up to \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 7.96% Senior Notes due 2005 and up to \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009 which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 8.11% Senior Notes due 2009.

The terms of the exchange securities are identical in all respects to the terms of the original securities for which they are being exchanged, except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the original securities are not applicable to the exchange securities.

Original securities may be tendered only in \$1,000 increments. Subject to the satisfaction or waiver of specified conditions, Lear will exchange the applicable exchange securities for all original securities that are validly tendered and not withdrawn prior to the expiration of the exchange offer. Lear will cause the exchange to be effected promptly after the expiration of the exchange offer.

UPON COMPLETION OF THE EXCHANGE OFFER, THERE MAY BE NO MARKET FOR THE ORIGINAL SECURITIES AND YOU MAY HAVE DIFFICULTY SELLING THEM.

Resales..... Based on interpretations by the staff of the Securities and Exchange Commission, Lear believes that exchange securities issued in the exchange offer may be offered for resale, resold, or otherwise transferred by you, without compliance with the registration and prospectus delivery requirements of the Securities Act, if:

- you acquire the exchange securities in the ordinary course of your business;
- you are not engaging in and do not intend to engage in a distribution of the exchange securities;

- you do not have an arrangement or understanding with any person to participate in a distribution of the exchange securities; and

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- you are not an affiliate of Lear within the meaning of Rule 405 under the Securities Act.

If you are an affiliate of Lear, or are engaging in or intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the exchange securities:

- you cannot rely on the applicable interpretations of the staff of the Securities and Exchange Commission; and
- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If you are a broker or dealer seeking to receive exchange securities for your own account in exchange for original securities that you acquired as a result of market-making or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any offer to resell, resale, or other transfer of the exchange securities that you receive in the exchange offer.

Expiration Date.....	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 1999, unless extended by Lear.
Withdrawal.....	You may withdraw the tender of your original securities at any time prior to the expiration of the exchange offer. Lear will return to you any of your original securities that are not accepted for exchange for any reason, without expense to you, promptly after the expiration or termination of the exchange offer.
Interest on the Exchange Securities and the Original Securities.....	Each exchange note will accrue interest from the date of the completion of the exchange offer. Accrued and unpaid interest on the original notes exchanged in the exchange offer will be paid on the first interest payment date for the exchange notes to the holders on the relevant record date of the exchange notes issued in respect of the original notes being exchanged. Interest on the original notes being exchanged in the exchange offer shall cease to accrue on the date of the completion of the exchange offer.
Conditions to the Exchange Offer.....	The exchange offer is subject to customary conditions. Lear may assert or waive these conditions in its sole discretion. See "The Exchange Offer -- Conditions to the Exchange Offer."
Exchange Agent.....	The Bank of New York is serving as exchange agent for the exchange offer.

Procedures for Tendering

Original Securities.....

Any holder of original securities that wishes to tender original securities must cause the following to be transmitted to and received by the exchange agent no later than 5:00 p.m., New York City time, on the expiration date:

- The certificates representing the tendered original securities or, in the case of a book-entry tender, a confirmation of the book-entry transfer of the tendered original securities into the

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exchange agent's account at The Depository Trust Company ("DTC"), as book-entry transfer facility;

- A properly completed and duly executed letter of transmittal in the form accompanying this prospectus (with any required signature guarantees) or, at the option of the tendering holder in the case of a book-entry tender, an agent's message in lieu of such letter of transmittal; and
- Any other documents required by the letter of transmittal.

Guaranteed Delivery

Procedures.....

Any holder of original securities that cannot cause the original securities or any other required documents to be transmitted to and received by the exchange agent before 5:00 p.m., New York City time, on the expiration date, may tender original securities according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures."

Special Procedures for

Beneficial Owners.....

If you are the beneficial owner of original securities that are registered in the name of your broker, dealer, commercial bank, trust company, or other nominee, and you wish to participate in the exchange offer, you should promptly contact the person through which you beneficially own your original securities and instruct that person to tender original securities on your behalf. See "The Exchange Offer -- Procedures for Tendering."

Representations of Tendering

Holders.....

By tendering original securities pursuant to the exchange offer, each holder will, in addition to other customary representations, represent to Lear that:

- the exchange securities acquired pursuant to the exchange offer are being acquired in the ordinary course of business of the person receiving the exchange securities (whether or not the person is the holder of the original securities);
- neither the holder nor any such other person is engaging in or intends to engage in a distribution of the exchange securities;
- neither the holder nor any such other person has an arrangement or understanding with any

person to participate in a distribution of the exchange securities; and

- neither the holder nor any such other person is an affiliate of Lear, or if either is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act.

Acceptance of Original
Securities and Delivery of

Exchange Securities.....

Subject to the satisfaction or waiver of the conditions to the exchange offer, Lear will accept for exchange any and all original securities that are properly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. Lear will cause the exchange to be effected promptly after the expiration of the exchange offer.

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U.S. Federal Income Tax

Considerations.....

The exchange of original securities for exchange securities pursuant to the exchange offer generally will not be a taxable event for U.S. federal income tax purposes. See "United States Federal Income Tax Considerations."

Use of Proceeds.....

Lear will not receive any proceeds from the issuance of exchange securities pursuant to the exchange offer. Lear will pay all expenses incident to the exchange offer.

CONSEQUENCES OF EXCHANGING OR FAILURE TO EXCHANGE ORIGINAL SECURITIES
PURSUANT TO THE EXCHANGE OFFER

Holders that are not

Broker-Dealers.....

Generally, if you are not an "affiliate" of Lear within the meaning of Rule 405 under the Securities Act, upon the exchange of your original securities for exchange securities pursuant to the exchange offer, you will be able to offer your exchange securities for resale, resell your exchange securities and otherwise transfer your exchange securities without compliance with the registration and prospectus delivery provisions of the Securities Act.

This is true so long as you have acquired the exchange securities in the ordinary course of your business, you have no arrangement with any person to participate in a distribution of the exchange securities and neither you nor any other person is engaging in or intends to engage in a distribution of the exchange securities.

Holders that are

Broker-Dealers.....

A broker-dealer who acquired original securities directly from us cannot exchange those original securities in the exchange offer.

Otherwise, each broker-dealer that receives exchange securities for its own account in exchange for original securities must acknowledge that it will deliver a prospectus in connection with any resale of the exchange securities. You should read "Plan of Distribution" for a more detailed discussion of these requirements.

Failure to Exchange..... Upon consummation of the exchange offer, holders that were not prohibited from participating in the exchange offer and did not tender their original securities will not have any registration rights under the Registration Rights Agreement with respect to such nontendered original securities. Accordingly, nontendered original securities will continue to be subject to the significant restrictions on transfer contained in the legend on them.

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SUMMARY OF THE TERMS OF THE EXCHANGE SECURITIES

The terms of the exchange securities are identical in all respects to the terms of the original securities for which they are being exchanged, except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the original securities are not applicable to the exchange securities. The exchange securities will evidence the same debt as the original securities for which they are being exchanged. The exchange securities and the original securities will be governed by the same indenture. Except where the context requires otherwise, references in this prospectus to "notes," or "securities" are references to both original notes and exchange notes or both original securities and exchange securities, as the case may be.

Securities Offered..... \$600,000,000 principal amount of 7.96% Series B Senior Notes due 2005. \$800,000,000 principal amount of 8.11% Series B Senior Notes due 2009.

Maturity Dates..... The 7.96% Series B Senior Notes due 2005 will mature on May 15, 2005. The 8.11% Series B Senior Notes due 2009 will mature on May 15, 2009.

Interest Payment Dates..... May 15 and November 15 of each year, commencing November 15, 1999.

Ranking..... The exchange notes will be senior unsecured obligations and will rank pari passu in right of payment with all of Lear's existing and future unsubordinated unsecured indebtedness. Indebtedness under our principal credit facilities is secured by the pledge of all or a portion of the capital stock of certain of our subsidiaries. The exchange notes will not have the benefit of such pledges. In addition, other secured creditors of Lear will have a claim on the assets which secure the related obligations of Lear prior to any claims of holders of the exchange notes against such assets.

Guarantees..... The exchange notes will be guaranteed on a senior unsecured basis by each of our domestic subsidiaries that guarantee our principal credit facilities. In the event that any such subsidiary ceases to be a guarantor under our principal credit facilities, such subsidiary will be released as a guarantor of the exchange notes.

Optional Redemption..... We may redeem all or part of each series of exchange notes, at our option, at any time, at the redemption price equal to the greater of (a) 100% of the principal amount of the exchange notes to be redeemed and (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date discounted to the redemption date on a semiannual basis at the Treasury Rate plus 50 basis points, in each case, together with

any interest accrued but not paid to the date of redemption. See "Description of the Exchange Securities -- Optional Redemption."

Certain Covenants..... The indenture governing the exchange securities contains covenants that limit our ability and the ability of our restricted subsidiaries to create liens and engage in sale and lease-back transactions. The indenture also limits Lear's ability to engage in mergers and consolidations or to transfer all or substantially all

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of our assets. See "Description of the Exchange Notes -- Certain Covenants."

Risk Factors..... You should carefully consider all the information set forth and incorporated by reference in this prospectus and, in particular, you should carefully read the section entitled "Risk Factors" before tendering your original securities in the exchange offer.

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RISK FACTORS

Prospective participants in the exchange offer should consider carefully all of the information contained in this prospectus in connection with the exchange offer. The risk factors set forth below (with the exception of the first risk factor) are generally applicable to the original notes as well as the exchange notes.

FAILURE TO EXCHANGE -- IF YOU FAIL TO EXCHANGE YOUR ORIGINAL SECURITIES FOR EXCHANGE SECURITIES YOU WILL NO LONGER HAVE ANY REGISTRATION RIGHTS WITH RESPECT TO YOUR ORIGINAL SECURITIES.

Upon the completion of the exchange offer, if you were not prohibited from participating in the exchange offer and you did not tender your original securities, you will no longer have any registration rights with respect to the original securities you still hold. These original securities are privately placed securities and will remain subject to the restrictions on transfer contained in the legend on the notes. In general, you cannot sell or offer to sell the original securities without complying with these restrictions, unless the original securities are registered under the Securities Act and applicable state securities laws. We do not intend to register the original securities under the Securities Act.

We believe, based on SEC staff interpretations with respect to other transactions like the one described in this prospectus, the exchange securities issued as part of the exchange offer may be offered for resale, resold and otherwise transferred by any holder, other than a holder that is an "affiliate" of Lear within the meaning of Rule 405 under the Securities Act, without compliance with the prospectus delivery provisions of the Securities Act. This is true so long as the exchange securities are acquired in the ordinary course of the holder's business, the holder does not have any arrangement or understanding with anyone to participate in the distribution of the exchange securities and neither the holder nor anyone else is engaging in or intends to engage in a distribution of the exchange securities.

A broker-dealer that acquires exchange securities for its own account in the exchange offer for original securities must acknowledge that it will deliver a prospectus in connection with any resale of exchange securities. The letter of transmittal states that by making this acknowledgment and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of the exchange securities received in exchange for the

original securities acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that we will make this prospectus available to any broker-dealer for use in connection with any such resale for a period of 90 days after the exchange date or, if earlier, until all participating broker-dealers have so resold. You should read "Plan of Distribution" for more information.

LEVERAGE -- OUR INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL HEALTH AND PREVENT US FROM FULFILLING OUR OBLIGATIONS UNDER THE EXCHANGE NOTES.

A significant portion of the funds needed to finance our recent acquisitions, including the UT Automotive acquisition, was raised through borrowings. As a result, we have debt that is greater than our stockholders' equity and a significant portion of our cash flow from operations will be used to satisfy our debt obligations. The following chart sets forth certain important information regarding our capitalization and is presented, on a pro forma basis, assuming we had completed the Transactions as of April 3, 1999 or, in the case of the ratio of earnings to fixed charges, on January 1, 1998:

(IN MILLIONS, EXCEPT FOR RATIOS)

Total indebtedness.....	\$3,543.1
Stockholders' equity.....	\$1,297.2
Total capitalization.....	\$4,840.3
Debt to equity ratio.....	2.7x
Ratio of earnings to fixed charges for the year ended December 31, 1998.....	1.5x

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Our indebtedness may have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the exchange notes;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to payments on our other indebtedness;
- limit our ability to obtain other financing to fund future working capital, acquisitions, capital expenditures, research and development costs and other general corporate requirements;
- limit our ability to take advantage of business opportunities as a result of various restrictive covenants in our indebtedness; and
- place us at a competitive disadvantage compared to our main competitors that have less debt.

In addition, since a portion of our borrowings are at variable rates of interest, we will be vulnerable to increases in interests rates, which could have a material adverse effect on our results of operations, liquidity and financial condition.

See "Description of the Exchange Securities" and "Description of Other Material Indebtedness."

ADDITIONAL BORROWINGS AVAILABLE -- DESPITE CURRENT INDEBTEDNESS LEVELS, WE AND OUR SUBSIDIARIES MAY STILL BE ABLE TO INCUR SUBSTANTIALLY MORE DEBT. THIS COULD FURTHER EXACERBATE THE RISKS DESCRIBED ABOVE. SECURED OR SUBSIDIARY BORROWINGS MAY BE EFFECTIVELY SENIOR TO THE EXCHANGE NOTES.

We and our subsidiaries may be able to incur additional indebtedness in the future. As of April 3, 1999, assuming we had completed the Transactions as of

such date, we had additional unused borrowing availability under our primary credit facilities of \$1.5 billion, and additional borrowing availability under other working capital and revolving credit facilities of \$185 million. If new debt is added to our current debt levels, the related risks that we and they now face could intensify.

The exchange notes are unsecured and therefore will be effectively subordinated to any existing or future secured indebtedness to the extent of the value of the assets securing such indebtedness. In addition, the exchange notes will be effectively subordinated to the obligations of any of our subsidiaries that are not guarantors of the exchange notes. As of April 3, 1999, assuming we had completed the Transactions as of such date, subsidiaries that will not be guarantors of the exchange notes would have had \$425 million of indebtedness outstanding, including \$333 million of indebtedness under our primary credit facilities. See "Selected Consolidated Financial Data," "Description of Other Material Indebtedness -- Primary Credit Facilities," and "Description of the Exchange Securities."

NATURE OF AUTOMOTIVE INDUSTRY -- A DECLINE IN AUTOMOTIVE SALES COULD ADVERSELY AFFECT US.

Our operations are directly related to automotive vehicle production. Automotive sales and production are cyclical and can be affected by the strength of a country's general economy. In addition, automotive sales and production can be affected by labor relations issues, regulatory requirements, trade agreements and other factors. A decline in automotive sales and production could result in a decline in our business, results of operations and financial condition.

RELIANCE ON MAJOR CUSTOMERS AND SELECTED CAR MODELS -- LOSS IN BUSINESS FROM A MAJOR CUSTOMER OR DISCONTINUATION OF A PARTICULAR CAR MODEL COULD ADVERSELY AFFECT US.

Ford and General Motors, the two largest automotive manufacturers in the world, together accounted for approximately 50% of our pro forma net sales in 1998. A loss of significant business from Ford or General Motors could have a material adverse effect on our business, results of operations and financial condition. Although we have purchase orders from many of our customers, these purchase orders generally

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provide for the supply of a customer's annual requirements for a particular model or assembly plant, renewable on a year-to-year basis, rather than for the purchase of a specific quantity of products. To date, neither model discontinuances nor plant closings have had a material adverse affect on us because of the breadth of our product lines and our ability to relocate facilities with minimal capital expenditures. We cannot assure you, however, that the loss of business with respect to a particular automobile model would not have a material adverse effect on our business, results of operations or financial condition in the future.

There is substantial and continuing pressure from automotive manufacturers to reduce costs, including costs associated with outside suppliers such as our company. We believe that our ability to develop new products and control our costs will allow us to remain competitive. However, we cannot assure you that we will be able to improve or maintain our margins.

INTEGRATION OF ACQUIRED COMPANIES -- WE MAY NOT BE SUCCESSFUL IN INTEGRATING COMPANIES THAT WE ACQUIRE INTO OUR OPERATIONS.

Part of our strategy is to grow through selected acquisitions of complementary businesses, such as the business acquired in the UT Automotive acquisition. We have been able to increase our net sales and profitability, in large part as a result of sixteen acquisitions completed during the last five years. Acquisitions involve risks. Potential problems include:

- difficulties in integrating acquired businesses into our operations;
- unanticipated problems, delays, liabilities or expenses, including potential environmental liabilities;

- anticipated benefits may not be realized; and
- a negative impact of acquired businesses on our operating results, liquidity and financial condition.

INTERNATIONAL OPERATIONS -- THERE ARE CERTAIN INHERENT RISKS TO DOING BUSINESS IN FOREIGN COUNTRIES.

As a result of recent acquisitions and our business strategy, which includes plans for continued global expansion of operations, a significant portion of our revenues and expenses are denominated in currencies other than U.S. dollars. In addition, we have manufacturing and distribution facilities in many foreign countries. International operations are subject to certain risks inherent in doing business abroad, including:

- exposure to local economic conditions;
- expropriation and nationalization;
- currency exchange rate fluctuations and currency controls;
- withholding and other taxes on remittances and other payments by subsidiaries;
- investment restrictions or requirements; and
- export and import restrictions.

The likelihood of such occurrences and their potential effect on us vary from country to country and are unpredictable but may have a significant effect on our business, results of operations and financial condition.

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FRAUDULENT CONVEYANCE -- GUARANTEES OF CERTAIN SUBSIDIARIES MAY BE VOIDABLE OR THE EXCHANGE NOTES MAY BE SUBORDINATED TO OTHER OBLIGATIONS OF SUCH SUBSIDIARIES.

Although standards may vary depending on the applicable law, generally under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, if a court were to find that, among other things, at the time any guarantor of the notes incurred the debt evidenced by its guarantee of the notes, such guarantor:

- either:
 - was insolvent or rendered insolvent by reason of such incurrence;
 - was engaged or about to engage in a business or transaction for which that guarantor's remaining assets constituted unreasonably small capital;
 - was a defendant in an action for money damages, or had a judgment for money damages docketed against it (if in either case, after a final judgment, the judgment were unsatisfied); or
 - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature;

and

- that guarantor received less than reasonably equivalent value or fair consideration for the incurrence of such debt; or
- incurred such debt or made related distributions or payments with the intent of hindering, delaying or defrauding creditors,

there is a risk that the guarantee of that guarantor could be voided by such court, or claims by holders of the notes under that guarantee could be subordinated to other debts of that guarantor. In addition, any payment by that guarantor pursuant to its guarantee could be required to be returned to that guarantor, or to a fund for the benefit of the creditors of that guarantor.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding. Generally, however, a guarantor of the notes would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the saleable value of all of its assets at a fair valuation; or
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each of the guarantors of the notes has acted for proper purposes and in good faith and, after giving effect to the debt incurred by that guarantor in connection with the offering of the original securities and the exchange offer, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. However, we cannot assure you as to what standard a court would apply in making such determination or that a court would agree with our conclusions in this regard.

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ABSENCE OF A PUBLIC MARKET FOR THE EXCHANGE SECURITIES -- YOU CANNOT BE SURE
THAT AN ACTIVE TRADING
MARKET WILL DEVELOP FOR
THE EXCHANGE
SECURITIES.

There is no established trading market for the exchange securities. We have no plans to list the exchange securities on a securities exchange. We have been advised by each of the initial purchasers in the private offering of the original securities (the "Initial Purchasers") that it presently intends to make a market in the exchange securities; however, none of them is obligated to do so. Any market-making activity, if initiated, may be discontinued at any time, for any reason, without notice. If any Initial Purchaser ceases to act as a market maker for the exchange securities for any reason, we cannot assure you that another firm or person will make a market in the exchange securities. The liquidity of any market for the exchange securities will depend upon the number of holders of the exchange securities, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the exchange securities and other factors. An active or liquid trading market may not develop for the exchange securities.

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USE OF PROCEEDS

The exchange offer is intended to satisfy Lear's obligations under the Registration Rights Agreement that Lear entered into in connection with the private offering of the original securities. Lear will not receive any cash proceeds from the issuance of the exchange securities. The original securities that are surrendered in exchange for the exchange securities will be retired and canceled and cannot be reissued. As a result, the issuance of the exchange securities will not result in any increase or decrease in Lear's indebtedness.

Lear used the net proceeds from the private offering of the original securities to repay a \$1.4 billion interim term loan under its primary credit facilities, which was used to fund a portion of the UT Automotive acquisition purchase price. At the time of such repayment, the interim term loan bore interest at a rate of approximately 7.75% per annum.

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The following unaudited pro forma consolidated statements of operations of Lear for the three months ended April 3, 1999 and the year ended December 31, 1998 were prepared to illustrate the effects of the completion of the Transactions, as if such Transactions had occurred on January 1, 1998.

The Transactions are:

- the acquisition of Delphi's automotive seating business;
- the UT Automotive acquisition;
- the proposed sale of EMS and the application of the anticipated proceeds therefrom;
- the amendment and restatement of our prior senior credit facility in connection with the acquisition of UT Automotive;
- borrowings under our new credit facilities in connection with the acquisition of UT Automotive; and
- the offering of the original securities and the application of the net proceeds therefrom.

The following unaudited pro forma consolidated balance sheet (collectively with the unaudited pro forma consolidated statements of operations, the "Pro Forma Statements") was prepared as if the Transactions had occurred as of April 3, 1999. The Pro Forma Statements are not necessarily indicative of the results that actually would have been achieved if the Transactions reflected therein had been completed on the dates indicated or the results which may be attained in the future.

The pro forma adjustments are based upon available information and upon certain assumptions that we believe are reasonable. The Pro Forma Statements and accompanying notes should be read in conjunction with the historical financial statements of Lear, UT Automotive and Delphi Seating, including the notes thereto, and the other financial information pertaining to us included elsewhere or incorporated by reference in this prospectus.

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UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED APRIL 3, 1999

	LEAR HISTORICAL	UT AUTOMOTIVE HISTORICAL(1)	OPERATING AND FINANCING ADJUSTMENTS	PRO FORMA AS ADJUSTED	ELIMINATION OF EMS PRO FORMA (7)	PRO FORMA
	-----	-----	-----	-----	-----	-----
	(IN MILLIONS, EXCEPT PER SHARE DATA AND RATIOS)					
Net sales.....	\$2,687.2	\$793.0	\$ --	\$3,480.2	\$(85.2)	\$3,395.0
Cost of sales.....	2,468.5	655.3	--	3,123.8	(68.0)	3,055.8
	-----	-----	-----	-----	-----	-----
Gross profit.....	218.7	137.7	--	356.4	(17.2)	339.2
Selling, general and administrative expenses.....	84.3	90.6	--	174.9	(8.7)	166.2
Amortization.....	14.0	3.3	4.9(3)	22.2	(.3)	21.9
	-----	-----	-----	-----	-----	-----
Operating income.....	120.4	43.8	(4.9)	159.3	(8.2)	151.1
Interest expense.....	30.1	7.3	39.4(4)	76.8	(4.9)	71.9
Other (income)/expense, net.....	7.9	(.7)	--	7.2	--	7.2
	-----	-----	-----	-----	-----	-----
Income before income taxes.....	82.4	37.2	(44.3)	75.3	(3.3)	72.0
Income taxes.....	32.1	15.4	(13.8) (5)	33.7	(2.0)	31.7
	-----	-----	-----	-----	-----	-----
Net income.....	\$ 50.3	\$ 21.8	\$(30.5)	\$ 41.6	\$ (1.3)	\$ 40.3
	=====	=====	=====	=====	=====	=====
Diluted net income per share.....	\$.75					\$ 0.60
Weighted average shares outstanding (in millions).....	67.5					67.5
OTHER DATA:						
EBITDA (6).....	\$ 182.7	\$ 78.7	--	\$ 261.4	\$(12.4)	\$ 249.0
Ratio of EBITDA to interest expense, net.....						3.5x
Ratio of earnings to fixed charges(8).....						1.9x

FOR THE YEAR ENDED DECEMBER 31, 1998

	LEAR HISTORICAL	UT AUTOMOTIVE HISTORICAL (1)	OPERATING AND FINANCING ADJUSTMENTS	LEAR/UT AUTOMOTIVE PRO FORMA
	-----	-----	-----	-----
	(IN MILLIONS, EXCEPT PER SHARE DATA AND RATIOS)			
Net sales.....	\$9,059.4	\$2,900.3	\$ --	\$11,959.7
Cost of sales.....	8,198.0	2,365.4	--	10,563.4
	-----	-----	-----	-----
Gross profit.....	861.4	534.9	--	1,396.3
Selling, general and administrative expenses.....	337.0	362.7	--	699.7
Restructuring and other charges.....	133.0	--	--	133.0
Amortization.....	49.2	13.0	20.0 (3)	82.2
	-----	-----	-----	-----
Operating income.....	342.2	159.2	(20.0)	481.4
Interest expense.....	110.5	22.2	161.0 (4)	293.7
Other (income)/expense, net.....	22.3	(.6)	--	21.7
	-----	-----	-----	-----
Income before income taxes.....	209.4	137.6	(181.0)	166.0
Income taxes.....	93.9	57.5	(56.3) (5)	95.1
	-----	-----	-----	-----
Net income.....	\$ 115.5	\$ 80.1	\$ (124.7)	\$ 70.9
	=====	=====	=====	=====
Diluted net income per share.....	\$ 1.70			
Weighted average shares outstanding (in millions).....	68.0			
OTHER DATA:				
EBITDA (6).....	\$ 561.9	\$ 283.5	--	\$ 845.4
Ratio of EBITDA to interest expense, net.....				
Ratio of earnings to fixed charges(8).....				

	DELPHI SEATING PRO FORMA (2)	PRO FORMA AS ADJUSTED	ELIMINATION OF EMS PRO FORMA (7)	PRO FORMA
	-----	-----	-----	-----
	(IN MILLIONS, EXCEPT PER SHARE DATA AND RATIOS)			
Net sales.....	\$669.0	\$12,628.7	\$ (351.1)	\$12,277.6
Cost of sales.....	651.2	11,214.6	(282.8)	10,931.8
	-----	-----	-----	-----
Gross profit.....	17.8	1,414.1	(68.3)	1,345.8
Selling, general and administrative expenses.....	41.5	741.2	(35.7)	705.5
Restructuring and other charges.....	--	133.0	--	133.0
Amortization.....	3.2	85.4	(5.1)	80.3
	-----	-----	-----	-----
Operating income.....	(26.9)	454.5	(27.5)	427.0
Interest expense.....	9.1	302.8	(19.1)	283.7
Other (income)/expense, net.....	(6.1)	15.6	--	15.6
	-----	-----	-----	-----
Income before income taxes.....	(29.9)	136.1	(8.4)	127.7
Income taxes.....	(11.9)	83.2	(6.3)	76.9
	-----	-----	-----	-----
Net income.....	\$ (18.0)	\$ 52.9	\$ (2.1)	\$ 50.8
	=====	=====	=====	=====
Diluted net income per share.....				\$ 0.75
Weighted average shares outstanding (in millions).....				68.0

OTHER DATA:

EBITDA (6).....	\$ (14.8)	\$ 830.6	\$ (47.5)	\$ 783.1
Ratio of EBITDA to interest expense, net.....				2.8x
Ratio of earnings to fixed charges(8).....				1.5x

(1) The UT Automotive Historical information represents amounts derived from the audited results of operations for the year ended December 31, 1998 and the unaudited results of operations for the three months ended April 3, 1999. Certain amounts have been reclassified to conform to Lear's presentation.

(2) The Delphi Seating pro forma information reflects (i) Delphi Seating historical unaudited results of operations for the period from January 1, 1998 through September 1, 1998, the date on which Delphi Seating was acquired by Lear and (ii) adjustments to reflect the elimination of net sales between Delphi Seating and Lear, estimated interest on borrowings to finance the acquisition of Delphi Seating, amortization of goodwill from the acquisition of Delphi Seating, income tax effects of the adjustments and the elimination of items with no continuing impact on Lear's results of operations, including the capitalization of fixed asset purchases which were accounted for as

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impaired assets by Delphi Seating, operating losses at plants which were not included in the acquisition, a charge related to the employee benefit obligations not assumed by Lear and the elimination of certain expenses allocated from the parent.

(3) The adjustment to amortization represents the following:

	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED APRIL 3, 1999
	-----	-----
	(IN MILLIONS)	
Amortization of goodwill from the acquisition of UT Automotive (over 40 years).....	\$ 33.0	\$ 8.2
Elimination of the historical goodwill amortization of UT Automotive.....	(13.0)	(3.3)
	-----	-----
	\$ 20.0	\$ 4.9
	=====	=====

(4) The adjustment to interest expense represents the following:

	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED APRIL 3, 1999
	-----	-----
	(IN MILLIONS)	
Interest on the original securities at an average rate of 8.05%.....	\$112.6	\$28.2
Interest on borrowings under our primary credit facilities to finance the portion of the UT Automotive acquisition purchase price and expenses not refinanced through the offering of the original securities.....	58.6	14.6
Other changes in interest expense, commitment fees and amortization of deferred finance fees due to the offering of the original securities, the new credit facilities and the amendment and restatement of our prior senior credit facility.....	10.1	3.2
Elimination of interest expense on UT Automotive		

- | | | |
|---|---------|--------|
| intercompany debt retired upon acquisition..... | (20.3) | (6.6) |
| | ----- | ----- |
| | \$161.0 | \$39.4 |
| | ===== | ===== |

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF APRIL 3, 1999

	LEAR HISTORICAL	UT AUTOMOTIVE HISTORICAL (1)	ACQUISITION AND VALUATION OF UT AUTOMOTIVE (2)	OPERATING AND FINANCING ADJUSTMENTS	LEAR/UT AUTOMOTIVE PRO FORMA	ELIMINATION OF EMS PRO FORMA (7)	PRO FORMA
				(IN MILLIONS)			
ASSETS							
Current assets:							
Cash and cash equivalents.....	\$ 24.6	\$ 83.7	\$ (2,308.2)	\$2,308.2 (4)	\$ 108.3	\$ (0.3)	\$ 108.0
Accounts receivable, net.....	1,482.3	528.7	--	--	2,011.0	(80.0)	1,931.0
Inventories.....	321.3	172.1	--	--	493.4	(19.2)	474.2
Recoverable customer engineering and tooling.....	239.1	--	--	--	239.1	--	239.1
Other current assets....	243.4	83.7	(14.1) (3)	--	313.0	(1.0)	312.0
	2,310.7	868.2	(2,322.3)	2,308.2	3,164.8	(100.5)	3,064.3
Property, plant and equipment, net.....	1,183.2	703.1	--	--	1,886.3	(67.7)	1,818.6
Goodwill and other intangibles, net.....	1,990.9	329.0	979.0	--	3,298.9	(218.3)	3,080.6
Other.....	298.9	83.4	(26.5) (3)	28.2 (5)	384.0	(13.2)	370.8
	\$5,783.7	\$1,983.7	\$ (1,369.8)	\$2,336.4	\$8,734.0	\$ (399.7)	\$8,334.3
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Short-term borrowings...	\$ 80.3	\$ 6.7	\$ --	\$ --	\$ 87.0	\$ (0.1)	\$ 86.9
Accounts payable and drafts.....	1,728.5	366.5	--	--	2,095.0	(55.8)	2,039.2
Accrued liabilities....	811.4	192.4	(29.2) (3)	--	974.6	(15.6)	959.0
Current portion of long-term debt.....	14.7	1.3	--	--	16.0	--	16.0
	2,634.9	566.9	(29.2)	--	3,172.6	(71.5)	3,101.1
Long-term liabilities:							
Long-term debt.....	1,411.6	4.7	--	2,336.4 (6)	3,752.7	(312.5)	3,440.2
Deferred national income taxes.....	42.9	37.2	--	--	80.1	(0.7)	79.4
Other.....	397.1	97.1	(62.8) (3)	--	431.4	(15.0)	416.4
	1,851.6	139.0	(62.8)	2,336.4	4,264.2	(328.2)	3,936.0
Stockholders' equity.....	1,297.2	1,277.8	(1,277.8)	--	1,297.2	--	1,297.2
	\$5,783.7	\$1,983.7	\$ (1,369.8)	\$2,336.4	\$8,734.0	\$ (399.7)	\$8,334.3

-
- (1) The UT Automotive historical information represents amounts obtained from the unaudited balance sheet of UT Automotive as of April 3, 1999. Certain amounts have been reclassified to conform to Lear's presentation.
 - (2) Assumes a purchase price of \$2,308.2 million, which consists of \$2,300.0 million to acquire UT Automotive and \$8.2 million to pay estimated fees and expenses related to the acquisition of UT Automotive. The acquisition of UT Automotive was accounted for using the purchase method of accounting, and the total purchase price was allocated first to assets and liabilities based on their respective fair values, with the remainder (\$1,308.0 million) allocated to goodwill. The adjustment to stockholders' equity reflects the elimination of UT Automotive's equity. The allocation of the purchase price above is based on historical costs and management's estimates which may differ from the final allocation due to appraisals of fixed assets and the finalization of plans of restructuring.
 - (3) Represents the elimination of certain items which are being retained by the seller of UT Automotive.
 - (4) Reflects proceeds of borrowings under our primary credit facilities of \$2,308.2 million.
 - (5) Reflects the capitalization of fees incurred in establishing our new credit facilities of \$11.6 million and fees incurred in connection with the offering of the original securities of \$16.6 million.

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- (6) Reflects the effects of the Transactions as follows:

Borrowings under our primary credit facilities to finance the acquisition of UT Automotive.....	\$ 2,308.2
Issuance of the original securities.....	1,400.0
Borrowings under our primary credit facilities to pay fees and expenses incurred in establishing the new credit facilities.....	11.6
Application of the estimated net proceeds of the offering of the original securities to repay a portion of the interim term loan.....	(1,383.4)
Borrowings under our amended and restated revolving credit facility to repay a portion of the interim term loan.....	16.6
Application of the borrowings under our amended and restated revolving credit facility to repay a portion of the interim term loan.....	(16.6)

	\$ 2,336.4
	=====

- (7) The pro forma EMS information reflects (i) the elimination of EMS's historical unaudited balance sheet as of April 3, 1999, including \$218.3 million of goodwill recorded in connection with the acquisition of UT Automotive and (ii) an adjustment to reflect reduced borrowings under the amended and restated \$2.1 billion revolving credit facility resulting from the application of the anticipated proceeds of \$310.0 million from the proposed sale of EMS.

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SELECTED CONSOLIDATED FINANCIAL DATA

Set forth below are certain selected historical financial data. This information should be read in conjunction with our financial statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included or incorporated by reference in this prospectus. The financial data for, and as of the end of, each of the five fiscal years ended December 31, 1998, 1997, 1996, 1995 and 1994 were derived

from our audited financial statements. Our audited consolidated financial statements for each of the five fiscal years ended December 31, 1998, 1997, 1996, 1995 and 1994 have been audited by Arthur Andersen LLP. The financial data for, and as of the end of, the three months ended April 3, 1999 and March 28, 1998 are unaudited; however, in our opinion, they reflect all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the financial position and results of operations of such periods. The results for the three months ended April 3, 1999 are not necessarily indicative of the results to be expected for the full fiscal year.

	AS OF OR FOR THE THREE MONTHS ENDED		AS OF OR FOR THE YEAR ENDED DECEMBER 31,				
	APRIL 3, 1999	MARCH 28, 1998	1998(1)	1997	1996	1995	1994
(IN MILLIONS (2))							
OPERATING DATA:							
Net sales.....	\$2,687.2	\$2,032.1	\$9,059.4	\$7,342.9	\$6,249.1	\$4,714.4	\$3,147.5
Gross profit.....	218.7	200.2	861.4	809.4	619.7	403.1	263.6
Selling, general and administrative expenses.....	84.3	78.0	337.0	286.9	210.3	139.0	82.6
Restructuring and other charges.....	--	--	133.0	--	--	--	--
Amortization of goodwill.....	14.0	11.5	49.2	41.4	33.6	19.3	11.4
Operating income.....	120.4	110.7	342.2	481.1	375.8	244.8	169.6
Interest expense, net.....	30.1	24.7	110.5	101.0	102.8	75.5	46.7
Other expense, net(3).....	7.9	8.0	22.3	28.8	19.6	12.0	8.1
Income before income taxes and extraordinary items.....	82.4	78.0	209.4	351.3	253.4	157.3	114.8
Income taxes.....	32.1	30.7	93.9	143.1	101.5	63.1	55.0
Income before extraordinary items.....	50.3	47.3	115.5	208.2	151.9	94.2	59.8
Extraordinary items(4).....	--	--	--	1.0	--	2.6	--
Net income.....	\$ 50.3	\$ 47.3	\$ 115.5	\$ 207.2	\$ 151.9	\$ 91.6	\$ 59.8
BALANCE SHEET DATA:							
Current assets.....	\$2,310.7	\$1,893.6	\$2,198.0	\$1,614.9	\$1,347.4	\$1,207.2	\$ 818.3
Total assets.....	5,783.7	4,736.8	5,677.3	4,459.1	3,816.8	3,061.3	1,715.1
Current liabilities.....	2,634.9	1,946.9	2,497.5	1,854.0	1,499.3	1,276.0	981.2
Long-term debt.....	1,411.6	1,202.7	1,463.4	1,063.1	1,054.8	1,038.0	418.7
Stockholders' equity.....	1,297.2	1,245.1	1,300.0	1,207.0	1,018.7	580.0	213.6
OTHER DATA:							
EBITDA(5).....	\$ 182.7	\$ 165.6	\$ 561.9	\$ 665.5	\$ 518.1	\$ 336.8	\$ 225.7
Ratio of EBITDA to interest expense, net.....	6.1x	6.7x	5.1x	6.6x	5.0x	4.5x	4.8x
Ratio of earnings to fixed charges(6).....	3.4x	3.7x	2.7x	4.1x	3.3x	2.9x	3.2x
Diluted net income per share.....	\$.75	\$.69	\$ 1.70	\$ 3.04	\$ 2.38	\$ 1.74	\$ 1.26
Number of facilities(7).....	206	180	206	179	148	107	79
North American content per vehicle(8).....	\$ 422	\$ 325	\$ 369	\$ 320	\$ 292	\$ 227	\$ 169
North American vehicle production(9).....	4.2	4.0	15.5	15.6	15.0	14.9	15.2
Western Europe content per vehicle(10).....	\$ 185	\$ 148	\$ 176	\$ 123	\$ 109	\$ 92	\$ 44
Western Europe vehicle production(11).....	4.3	4.0	15.8	15.1	14.4	13.9	13.2
South American content per vehicle(12).....	\$ 95	\$ 150	\$ 134	\$ 129	\$ 74	\$ 1	N/A
South American vehicle production(13).....	.3	.5	2.0	2.4	2.1	1.8	1.4

(1) Results include the effect of the \$133 million restructuring and other charges (\$92.5 million after tax).

(2) Except for ratios, per share data, number of facilities and content per vehicle.

(3) Consists of foreign currency exchange gain or loss, minority interests in consolidated subsidiaries, equity in net income of affiliates, state and local taxes and other expense.

(4) The extraordinary items resulted from the prepayment of debt.

(5) "EBITDA" is operating income plus depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flows from operations as determined by generally accepted accounting principles. Excluding the \$133 million restructuring and other

charges recorded in 1998, EBITDA would have been \$694.9 million.

- (6) "Fixed charges" consist of interest on debt, amortization of deferred financing fees and that portion of rental expenses representative of interest (deemed to be one-third of rental expenses). "Earnings" consist of income before income taxes, fixed charges, undistributed earnings and minority interests.
- (7) Includes facilities operated by Lear's less than majority-owned affiliates and facilities under construction.
- (8) "North American content per vehicle" is Lear's net sales in North America divided by estimated total North American vehicle production.
- (9) "North American vehicle production" includes car and light truck production in the United States, Canada and Mexico estimated from industry sources.
- (10) "Western Europe content per vehicle" is Lear's net sales in Western Europe divided by estimated total Western Europe vehicle production.
- (11) "Western Europe vehicle production" includes car and light truck production in Austria, Belgium, France, Germany, Italy, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom estimated from industry sources.
- (12) "South American content per vehicle" is Lear's net sales in South America divided by estimated total South American vehicle production.
- (13) "South American vehicle production" includes car and light truck production in South America estimated from industry sources.

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BUSINESS

GENERAL

We are one of the ten largest independent automotive suppliers in the world. We are:

- the leading supplier of automotive interior systems in the estimated \$50 billion global automotive interior market;
- the third largest supplier in the estimated \$20 billion global automotive electrical distribution systems market;
- the largest supplier in the estimated \$24 billion global seat systems market; and
- one of the four largest suppliers worldwide in each of the other North American automotive interior segments.

We are the only supplier with the capability to integrate electronics and electrical distribution systems into all five automotive interior systems, providing us the opportunity to manufacture and supply fully integrated automotive interior modules to our customers globally. As of April 3, 1999, on a pro forma basis, we employed over 106,000 people in 33 countries and operated over 320 manufacturing, advanced technology, product engineering and administration facilities. We are the successor to a manufacturer of automotive steel components founded in 1917 that served as a supplier to General Motors and Ford from its inception.

STRATEGY

Our principal objective is to expand our position as the leading supplier of automotive interior systems in the world with the goal of capturing at least one-third of the principal markets in which we compete. We intend to build on our full service capabilities, strong customer relationships and worldwide presence to increase our share of the global automotive interior market. To this end, our strategy is to capitalize on three significant trends in the automotive industry:

- the increasing emphasis on the automotive interior by automotive manufacturers as they seek to differentiate their vehicles in the

marketplace;

- the increasing demand for fully integrated modular assemblies, such as cockpits, overhead and door panel modules; and
- the consolidation and globalization of the supply base of automotive manufacturers.

These trends are rooted in the competitive pressures on automotive manufacturers to improve quality and reduce time to market, capital needs, labor costs, overhead and inventory. We believe that these trends will result in automotive manufacturers outsourcing entire modules or "chunks" of the interior and, ultimately, complete automotive interiors. We believe that the criteria for selection of automotive interior suppliers will include not only cost, quality and responsiveness, but will increasingly include worldwide presence and certain full-service capabilities, such as the capability to supply fully integrated systems and modules.

Elements of our strategy include:

- Enhance Strong Relationships with our Customers. We have developed strong relationships with our customers which allow us to identify business opportunities and anticipate customer needs in the early stages of vehicle design. We believe that working closely with our customers in the early stages of designing and engineering vehicle interior systems gives us a competitive advantage in securing new business. We maintain "Customer Focused Divisions" for most of our major customers. This organizational structure consists of several dedicated groups, most of which are focused on serving the needs of an individual customer and supporting that customer's programs and product development. Each division can provide all of the interior systems and components the customer needs, allowing that

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customer's purchasing agents, engineers and designers to have a single point of contact. We work to maintain an excellent reputation with our customers for timely delivery and customer service and for providing world class quality at competitive prices. As a result of our service and performance record, many of our facilities have won awards from automotive manufacturers with which we do business. For example, General Motors named us its "Supplier of the Year" in 1997 and 1998 for seat systems.

- Capitalize on Module and Integration Opportunities. We believe that the same competitive pressures that led automotive manufacturers to outsource the individual interior components to independent suppliers, such as Lear, will cause our customers to demand delivery of fully integrated modules for new vehicle models. As automotive manufacturers continue to seek ways to improve quality and reduce costs, we believe customers will increasingly look to independent suppliers to:

- supply fully integrated modules of the automotive interior; and
- act as systems integrators, by managing the design, purchase and supply of the total automotive interior.

Because electrical distribution systems and electrical/electronic products are an increasingly important part of interior systems, we believe that we will have a competitive advantage in securing new business and taking advantage of integration opportunities as a result of our acquisition of UT Automotive. The potential for integration opportunities can be seen in recent program awards:

- In 1997 and 1998, we were named the interior systems integrator for a high profile Chrysler minivan program and we were awarded the total interior program for two North American produced vehicles and for the Mahindra & Mahindra Scorpio SUV program. In addition to designing and producing interior components for these new programs, we will be responsible for coordinating the activities of a number of the vehicle's other interior suppliers.
- In 1998, UT Automotive was awarded the opportunity to supply the fully integrated cockpit assembly in North America for a General Motor's small car program. We will be responsible for the overall design, integration, assembly and sequential delivery of the cockpit assemblies. In addition,

we will be responsible for supplying the basic instrument panel, the structural cross vehicle beam, numerous molded parts and a variety of electrical/electronic components.

- Continue Global Expansion. Global expansion will continue to be an important element of our growth strategy. In 1998, approximately two-thirds of automotive interior production was made outside of North America. In recent years, automotive manufacturers in Western Europe have outsourced to a greater number of automotive suppliers than automotive manufacturers in North America. As a result, we believe that we have excellent opportunities for continued growth through supplier consolidation in Western Europe. Markets such as South America and the Asia/Pacific Rim region also present long-term growth opportunities as demand for automotive vehicles increases and automotive manufacturers expand production in these markets. As a result of our strong customer relationships and worldwide presence, we believe that we are well positioned to continue to grow with our customers as they expand their operations worldwide.

- Invest in Product Technology and Design Capability. We intend to continue to make significant investments in technology and design capability to support our products. We maintain 6 advanced technology centers and 22 customer focused product engineering centers where we design and develop new products and conduct extensive product testing. We also have state-of-the-art acoustics testing, instrumentation and data analysis capabilities. With the acquisition of UT Automotive, we acquired numerous engineering and design facilities in North America, Europe and Asia.

We believe that in order to effectively develop total interior systems, it is necessary to integrate the research, design, development, styling and validation of all interior subsystems concurrently. We recently expanded our advance technology center at our world headquarters in Southfield, Michigan. As a result, we are the only automotive supplier with engineering, research, development and validation capabilities for all five interior systems at one location. Our investments in research and development are consumer-driven

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and customer-focused. We conduct extensive analysis and testing of consumer responses to automotive interior styling and innovations. Because automotive manufacturers increasingly view the vehicle interior as a major selling point to their customers, the focus of our research and development efforts is to identify new interior features that make vehicles safer, more comfortable and attractive to consumers.

- Increase Use of "Just-in-Time" Facility Network. We have established facilities that allow our customers to receive interior products on a "just-in-time" basis. The "just-in-time" manufacturing process minimizes inventories and fixed costs for both us and our customers and enables us to deliver products on as little as 90 minutes notice. Most of our "just-in-time" manufacturing facilities are dedicated to individual customers. In many cases, by carefully managing floor space and overall efficiency, we can move the final assembly and sequencing of other interior systems and components from centrally located facilities to our existing "just-in-time" facilities. We believe that combining our "just-in-time" manufacturing techniques with our systems integration capabilities provides us with an important competitive advantage in delivering total interior systems to automotive manufacturers. In addition, we believe that our "just-in-time" and asset management techniques can be instituted throughout the interior facilities acquired in the UT Automotive acquisition, resulting in operational efficiencies and reduced working capital requirements.

- Growth Through Strategic Acquisitions. Strategic acquisitions have been an important element in our worldwide growth and in our efforts to capitalize on the globalization, integration and supplier consolidation trends. We intend to continue to review attractive acquisition opportunities that preserve our financing flexibility. We will focus on acquisitions:

- that strengthen our relationships with automotive manufacturers;
- enhance our existing product, process and technological capabilities;
- lower our systems costs;

- provide us with growth opportunities in new markets; and
- provide attractive financial returns.

ACQUISITIONS

To supplement our internal growth and implement our business strategy, we have made several strategic acquisitions. As a result of internal growth and acquisitions, our sales have grown from \$3.1 billion in 1994 to \$12.3 billion, on a pro forma basis, in 1998, a compound annual growth rate of 41%. Our acquisitions include the following:

UT Automotive Acquisition

On May 4, 1999, we acquired UT Automotive for a purchase price of approximately \$2.3 billion, subject to post-closing adjustments. UT Automotive is a leading independent supplier of automotive electrical distribution systems and produces a broad portfolio of automotive interior products, including instrument panels, headliners and door panels. With the acquisition of UT Automotive, we became the third largest supplier of automotive electrical distribution systems in the estimated \$20 billion global automotive electrical distribution systems market. In addition, we significantly increased our presence in the headliner and instrument panel segments of the global automotive interiors market as a result of UT Automotive's position in North America as the second largest headliner supplier and the fourth largest instrument panel supplier. On May 7, 1999, we entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell the Electric Motor Systems business we acquired in the UT Automotive acquisition for \$310 million, subject to certain post-closing adjustments. The EMS business had net sales, operating income and EBITDA of approximately \$351 million, \$27 million and \$47 million, respectively, for the year ended December 31, 1998. The proposed sale of EMS is subject to customary conditions.

Consumers are demanding more electronics in their vehicles, such as cellular phones, navigational equipment and keyless entry systems. At the same time, automotive manufacturers are continuing to seek

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ways to reduce costs and improve quality. As a result, we believe that we will be able to utilize UT Automotive's technical capabilities and products to secure new business and provide fully integrated interior systems and modules, thereby increasing our content per vehicle and providing us with a strong platform for future growth. In addition, we believe that the integration of UT Automotive's business into our own will provide significant opportunities to improve the combined business's operating performance. As we leverage our existing research and development efforts and reduce duplicative overhead costs, we believe that we will have the opportunity to realize significant operating synergies and cost savings.

Delphi Seating Acquisition

In September 1998, we acquired the seating business of Delphi Automotive Systems, formerly a division of General Motors Corporation. Delphi Seating was a leading supplier of seat systems to General Motors with sixteen facilities located in ten countries. The Delphi Seating acquisition strengthened our relationship with General Motors and expanded our product lines, technological capabilities and market share. The aggregate purchase price for the Delphi Seating acquisition was approximately \$247 million.

Borealis Acquisition

In December 1996, we acquired Borealis Industrier, a leading Western European supplier of instrument panels, door panels and other automotive components. The Borealis acquisition provided us with the technology and facilities to manufacture instrument panels, giving us the ability to produce complete interior systems. Borealis also produced door panels, climate systems, exterior trim and various components for the Western European automotive, light truck and heavy truck industries. In addition, the Borealis acquisition increased our presence in Western Europe and strengthened our relationships with Volvo, Saab and Scania.

Masland Acquisition

In July 1996, we acquired Masland Corporation. The Masland acquisition gave us the manufacturing capabilities to produce flooring and acoustic systems. In 1998, primarily as a result of the Masland acquisition, we held a 38% share in the estimated \$1.5 billion North American flooring and acoustic systems market. Also as a result of the Masland acquisition, we became a major supplier of interior and luggage trim components and other acoustical products which are designed to minimize noise, vibration and harshness for passenger cars and light trucks.

Automotive Industries Acquisition

In August 1995, we acquired Automotive Industries, a leading designer and manufacturer of high quality interior systems and blow molded plastic parts for automobile and light truck manufacturers. Prior to the Automotive Industries acquisition, we had participated primarily in the seat systems segment of the interior market. By providing us with substantial manufacturing capabilities to produce door panels and headliners, the Automotive Industries acquisition made us one of the largest independent direct suppliers of automotive interior systems in the North American light vehicle interior market.

Other Acquisitions

Since January 1, 1994, we have completed eleven acquisitions in addition to the five described above, including the acquisitions of:

- Italian automotive interiors manufacturers Pianfei and Strapazzini in 1998;
- Keiper Car Seating in 1997; and
- the primary automotive seat systems supplier to Fiat in 1994.

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PRODUCTS

Our products have evolved as a result of our many years of manufacturing experience in the automotive seat frame market, where we have been a supplier to Ford and General Motors since our inception in 1917. The seat frame has structural and safety requirements which make it the basis for overall seat design and was the logical first step to our emergence as a premier supplier of entire seat systems and seat components. Through the acquisitions discussed above, we have expanded our product offerings and can now manufacture and supply our customers with completely integrated interiors, including flooring and acoustic systems, door panels, headliners, instrument panels and electrical distribution systems. We also produce a variety of blow molded products and other automotive components. We believe that automotive manufacturers will continue to seek ways to improve vehicle quality while reducing the costs of vehicle components. As automotive manufacturers pursue these objectives, we expect that they will increasingly look to suppliers such as Lear, with the capability to test, design, engineer and deliver products for a complete vehicle interior. We believe that we will be able to design fully integrated modules of the automotive interior to:

- reduce the number and complexity of parts used;
- improve quality and warranty performance; and
- reduce automotive manufacturer's installation costs.

We also believe that automotive manufacturers will continue their move to modular production by sourcing to key suppliers, such as Lear, the development and manufacture of complete interior modules.

With the acquisition of UT Automotive, we strengthened our position in certain of our existing product categories, particularly in the headliner and instrument panel segments. In addition, the UT Automotive acquisition provided us with extensive capabilities in automotive electrical distribution systems and electrical/electronic automotive products. We believe that this broadened product portfolio substantially enhances our ability to supply complete automotive interiors. Specifically, we believe that we will be able to combine UT Automotive's electrical distribution system capabilities with our existing interior capabilities to design, develop and supply fully integrated modular

assemblies, such as fully integrated instrument panels or "cockpits," overhead systems and door panels.

Our products fall into the following categories:

- Seat Systems. The seat systems business consists of the manufacture, assembly and supply of vehicle seating requirements. Seat systems typically represent approximately 50% of the cost of the total automotive interior. We produce seat systems for automobiles and light trucks that are fully finished and ready to be installed in a vehicle. Seat systems are fully assembled seats, designed to achieve maximum passenger comfort by adding a wide range of manual and power features such as lumbar supports, cushion and back bolsters and leg and thigh supports.

As a result of our product technology and product design strengths, we have been a leader in incorporating convenience features and safety improvements into seat designs. In 1998, we adopted a new methodology for developing automotive interiors, "People-Vehicle-Interface" or PVI Method(TM). PVI Method(TM) is the innovation development discipline that we use to understand what consumers really want inside their vehicles, while developing automotive interiors that meet both federal safety standards and customer requirements. We have also developed methods to reduce our customer's costs throughout the automotive interior. For example, in 1997, we showcased the Revolution(TM) Seat Module. The Revolution(TM) Seat Module utilizes a unique seat frame that can be fitted with a wide variety of our seat backs and cushions to meet the needs of a range of different vehicles. The Revolution(TM) Seat Module simplifies and standardizes seat system assembly, enhances interior room and lowers total vehicle costs. Additionally, we are producing a ventilated seat for Saab, which draws heat and moisture away from the seat with fans that are embedded in the seat cushions. We have also increased production of our new integrated restraint seat system that increases occupant comfort and convenience. Licensed exclusively to Lear, this patented

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seating concept uses a special ultra high-strength steel tower, a blow-molded seat back frame and a split-frame design to improve occupant comfort and convenience.

Our position as a market leader in seat systems is largely attributable to seating programs on new vehicle models launched in the past ten years. We are currently working with customers in the development of a number of seat systems products to be introduced by automotive manufacturers in the future.

- Electrical Distribution Systems and Electrical/Electronic Products. The function of a basic automotive electrical distribution system is to provide the electrical interconnections necessary to convey or distribute electrical power and signals. The distribution of such power and signals is essential for activating, controlling, operating and/or monitoring electric devices and systems throughout the vehicle. Primarily, electrical distribution systems consist of wire harness assemblies, terminal and connector products, fuse boxes and junction boxes. This electrical network extends to virtually every part of a vehicle, including powered comfort/convenience accessories, lighting and signaling, heating and cooling systems, powertrain, chassis, safety restraints systems, audio systems and other devices. With the acquisition of UT Automotive, we have the capability to design and supply complete electrical distribution systems on a global basis.

The electrical/electronic products group consists of two related groups of products: automotive electrical switches and automotive electronic controls. The switches group includes products for activation and control of lighting, wiper/washers, turn signals, ignition, powered accessories including windows, door locks, seats and mirrors, heating, ventilation, and air conditioning and keypad entry. The switch products include designs for both low- and high-current using a variety of activation methods (rotary, slide, push-pull, momentary, and latching), and increasingly focus on ergonomic and aesthetic considerations. The electronic controls group includes a variety of body controllers for electronic control of many comfort and convenience features, including memory functions and timer units. With the acquisition of UT Automotive, we also acquired a significant industry presence in remote keyless entry products employing advanced encryption technology.

Electrical and electronic content per vehicle continues to grow as

installation of powered accessories and new features such as on-board phones and navigation systems increases. At the same time, many vehicle functions which had previously been hydraulically or mechanically activated are being replaced by electrical/electronic actuation. This has resulted in a higher number of circuits and electromechanical and electronic controls and switches per vehicle. For example, the 1993 top-of-the-line Ford Explorer had 963 electrical circuits, while a comparable model in 1997 had more than 1,800. With the acquisition of UT Automotive, we believe that we will be well positioned to capitalize on this trend by integrating UT Automotive's broad range of electrical/electronic products into our line of interior products and systems.

The automotive electrical distribution systems and electrical/electronic automotive products businesses have been rapidly evolving in recent years as electronic functionality is added to traditional wiring systems. This progression has involved the integration of existing products and the development of new products, competencies and technologies. We believe that the progressive increase in the content and complexity of electrical and electronic components requires a broader, overall design perspective. This shift in design philosophy is described as "moving from the wire itself to the wire ends," reflecting a view that design should include both wiring systems and the electromechanical and electronic devices to which they are connected. We believe that the migration from electrical distribution systems to electrical and electronic distribution systems will both facilitate integration of wiring, electronics, and switching/control products within the overall electrical architecture of a vehicle and generate significant design benefits for customers. For example, we expect this integrated approach to help designers optimize the number of circuits and electronic control modules/microprocessors, and help program managers validate the performance of all of the individual components in a vehicle's electronic systems.

The migration from electrical distribution systems to electrical and electronic distribution systems can be seen in a number of new and next generation products. For example, our smart junction box combines traditional junction box function with electronics capabilities. Unlike earlier junction box designs which provided the mechanical interconnection of electrical wire harnesses, smart junction boxes can incorporate

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electronic control functions traditionally located elsewhere in the vehicle. We are also positioned to participate in the development of advanced vehicle operating systems. Advanced vehicle operating systems will combine technologies ranging from computer-based communication to entertainment and traffic management.

- Flooring and Acoustic Systems. Flooring systems consist both of carpet and vinyl products, molded to fit precisely the front and rear passenger compartments of cars and trucks, and accessory mats. While carpet floors are used predominately in passenger cars and trucks, vinyl floors, because of their better wear and maintenance characteristics, are used primarily in commercial and fleet vehicles. We are one of the largest independent suppliers of vinyl automotive flooring systems in North America and one of the few suppliers of both carpet and vinyl automotive flooring systems. With the Masland acquisition, we acquired Maslite(TM), a material that is 40% lighter than vinyl, which has replaced vinyl accessory mats on selected applications.

The automotive flooring system is multi-purpose. Performance is based on the correct selection of materials to achieve an attractive, quiet and durable interior compartment. Automotive carpet requirements are more stringent than the requirements for carpet used in homes and offices. For example, automotive carpet must provide higher resistance to fading and improved resistance to wear despite being lighter in weight than carpet found in homes and offices. Masland's significant experience has enabled us to meet these specialized needs. Carpet flooring systems generally consist of tufted carpet with a thermoplastic backcoating which, when heated, allows the carpet to be fitted precisely to the interior of the vehicle. Additional insulation materials are added to provide noise, vibration and harshness resistance. Flooring systems are complex products which are based on sophisticated designs and use specialized design materials to achieve the desired visual, acoustic and heat management requirements in the automotive interior.

Our primary acoustic product, after flooring systems, is the dash insulator. The dash insulator separates the passenger compartment from the

engine compartment, and is the primary component for preventing engine noise and heat from entering the passenger compartment. Our ability to produce both the dash insulator and the flooring system enables us to accelerate the design process and supply an integrated system. We believe that automotive manufacturers, recognizing the cost and quality advantages of producing the dash insulator and the flooring system as an integrated system, will increasingly seek suppliers to coordinate the design, development and manufacture of the entire floor and acoustic system.

- Door Panels. Door panels consist of several component parts that are attached to a base molded substrate by various methods. Specific components include vinyl or cloth-covered appliques, armrests, radio speaker grilles, map pocket compartments, carpet and sound-reducing insulation. In addition, door panels often incorporate electrical distribution systems and electrical/electronic products, including switches and wire harnesses for the control of power seats, windows, mirrors and door locks. Upon assembly, each component must fit precisely and must match the color of the base substrate. In 1997, we introduced the One-Step(TM) door and One-Step(TM) liftgate which consolidate all internal mechanisms, including glass, window regulators and latches, providing customers with a fully assembled higher quality product at a lower price. The One-Step(TM) door and One-Step(TM) liftgate can be shipped to automotive manufacturers fully assembled, tested and ready to install. We believe that both the One-Step(TM) door and One-Step(TM) liftgate, while not yet in production, offer us significant opportunities to capture a major share of the estimated \$9 billion modular door market.

- Instrument Panels. The instrument panel is a complex system of foil coverings, foams, plastics and metals designed to house various components and act as a safety device for the vehicle occupants. Specific components of the instrument panel include the heating, venting and air conditioning module, air distribution ducts, air vents, cross car structure, glove compartment assemblies, electrical/electronic components, wiring harness, radio system and passenger airbag units. As the primary occupant focal point of the vehicle interior, the instrument panel is designed to be aesthetically pleasing while also housing various components.

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Over the past several years, the automotive industry has seen a rapid increase in the complexity of instrument panels. We believe automotive manufacturers will begin to require that suppliers produce integrated instrument panels that combine electrical/electronic products with other traditional instrument panel components. This movement will provide suppliers with the opportunity to capitalize on the ability of instrument panels to incorporate more higher margin, value-added components, such as telecommunications and navigational equipment. In July 1998, UT Automotive was awarded the opportunity to supply General Motors a fully integrated cockpit assembly in North America for a small car program beginning in 2002. This was one of the first integrated cockpit programs awarded by an automotive manufacturer. In addition to being responsible for the overall design, integration and assembly of the cockpit system, we will supply the basic instrument panel, the structural cross vehicle beam, numerous molded parts and a variety of electrical/electronic components. We believe that UT Automotive's strength in designing and manufacturing electrical distribution systems and electrical/electronic products will enhance our position as a leading supplier of instrument panels and better position us as automotive manufacturers continue to demand more complex instrument panels with progressively higher levels of integration.

Another on-going trend in the instrument panel segment concerns safety issues surrounding air bag technologies. We intend to increase our presence in this area through our research and development efforts, resulting in innovations such as the introduction of cost effective, integrated, seamless airbag covers, which increase occupant safety. Future trends in the instrument panel segment will continue to focus on safety with the introduction of low-mounted airbags as knee restraint components.

- Headliners. In 1997, we created a joint venture with Donnelly Corporation for the design, development, marketing and production of overhead systems for the global automotive interior market. Headliners consist of a substrate as well as a finished interior layer made of a variety of fabrics and materials. While headliners are an important contributor to interior aesthetics, they also provide insulation from road noise and can serve as carriers for a variety of other components, such as visors, overhead consoles, grab handles, coat hooks,

electrical wiring, speakers, lighting and other electrical/electronic products. As electrical and electronic content available in vehicles has increased, headliners have emerged as an important carrier of technology since electronic features ranging from garage door openers to lighting systems are often optimally situated in the headliner system. The UT Automotive acquisition provided us with the technical capabilities and electrical distribution products to take advantage of the significant integration opportunities that exist in the headliner market.

The headliner market is highly fragmented, with no dominant independent supplier. As automotive manufacturers continue to seek ways to improve vehicle quality and simultaneously reduce costs, we believe that headliners will increasingly be outsourced to suppliers, such as Lear, with extensive technological and systems integration capabilities. In addition, as with door panels and instrument panels, the ability of headliners to incorporate more components, provides us with the opportunity to increase the number of high margin, value added products we supply to automotive manufacturers.

- Component Products. In addition to the interior systems and other products described above, we are able to supply a variety of interior trim, blow molded plastic parts and other automotive components.

We produce seat covers for integration into our own seat systems and for delivery to external customers. Our major external customers for seat covers are other independent seat systems suppliers as well as automotive manufacturers. The expansion of our seat cover business gives us better control over the costs and quality of one of the critical components of a seat system. Typically, seat covers comprise approximately 30% of the aggregate cost of a seat system.

We produce steel and aluminum seat frames for passenger cars and light trucks. Seat frames are primarily manufactured using precision stamped, tubular steel and aluminum components joined together by highly automated, state-of-the-art welding and assembly techniques. The manufacture of seat frames must meet strict customer and government specified safety standards. Our seat frames are either delivered to our own plants, where they become part of a complete seat system that is sold to the automotive manufacturer customer, or are delivered to other independent seating suppliers for use in the manufacture of assembled seating systems.

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We also produce a variety of interior trim products, such as pillars, cowl panels, scuff plates, trunk liners, quarter panels and spare tire covers, as well as blow molded plastic products, such as fluid reservoirs, vapor canisters and duct systems.

CUSTOMERS

We serve the worldwide automobile and light truck market, which produces approximately 50 million vehicles annually. Our automotive manufacturer customers currently include Ford, General Motors, DaimlerChrysler, Fiat, Volkswagen, BMW, Volvo, Saab, Toyota, Honda USA, Mitsubishi, Mazda, Subaru, Nissan, Isuzu, Peugeot, Porsche, Renault, Gaz, Mahindra & Mahindra, Suzuki, Hyundai and Daewoo. During the year ended December 31, 1998, on a pro forma basis, Ford and General Motors, the two largest automobile and light truck manufacturers in the world, each accounted for approximately 25% of our net sales.

In the past ten years, in the course of retooling and reconfiguring plants for new models and model changeovers, certain automotive manufacturers have eliminated the production of seat systems and other interior systems and components from certain of their facilities, thereby committing themselves to purchasing these items from outside suppliers. During this period, we became a supplier of these products for a significant number of new models, many on a "just-in-time" basis.

The purchase of seat systems and other interior systems and components from full-service independent suppliers like Lear has allowed our customers to realize a competitive advantage as a result of:

- a reduction in net overhead expenses and capital investment due to the availability of significant floor space for the expansion of other manufacturing operations;

- the elimination of working capital and personnel costs associated with the production of interior systems by the automotive manufacturer;
- a reduction in labor costs since suppliers like Lear generally have lower direct labor and benefit rates; and
- a reduction in transaction costs by utilizing a limited number of sophisticated system suppliers instead of numerous individual component suppliers.

In addition, we offer improved quality and on-going cost reductions to our customers through continuous, Lear-initiated design improvements.

We maintain "Customer Focused Divisions" for most of our major customers. This organizational structure consists of several dedicated groups, each of which is primarily focused on serving the needs of a single customer and supporting that customer's programs and product development. Each division is capable of providing fully integrated interior systems or whatever interior component the customer needs, thereby providing that customer's purchasing agents, engineers and designers with a single point of contact for their total automotive interior needs.

We receive blanket purchase orders from our customers that normally cover annual requirements for products to be supplied for a particular vehicle model. Such supply relationships typically extend over the life of the model, which is generally four to seven years, and do not require the purchase by the customer of any minimum number of products. Although such purchase orders may be terminated at any time, we do not believe that any of our customers have terminated a material purchase order prior to the end of the life of a model. Our primary risk is that an automotive manufacturer will produce fewer units of a model than anticipated. In order to reduce our reliance on any one model, we produce interior systems and components for a broad cross-section of both new and more established models.

Because of the economic benefits inherent in outsourcing to suppliers such as Lear and the costs associated with reversing a decision to purchase seat systems and other interior systems and components from an outside supplier, we believe that automotive manufacturers' commitment to purchasing seat

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systems and other interior systems and components from outside suppliers, particularly on a "just-in-time" basis, will increase. However, under the contracts currently in effect in the United States and Canada between each of General Motors, Ford and DaimlerChrysler with the United Auto Workers ("UAW") and the Canadian Auto Workers ("CAW"), in order for any of such manufacturers to obtain from external sources components that it currently produces, it must first notify the UAW or the CAW of such intention. If the UAW or the CAW objects to the proposed outsourcing, some agreement will have to be reached between the UAW or the CAW and the automotive manufacturer. Factors that will normally be taken into account by the UAW, the CAW and the automotive manufacturer include:

- whether the proposed new supplier is technologically more advanced than the automotive manufacturer;
- whether the new supplier is unionized;
- whether cost benefits exist; and
- whether the automotive manufacturer will be able to reassign union members whose jobs are being displaced to other jobs within the same factories.

As part of our agreement with General Motors, we operate our Rochester Hills, Michigan and Wentzville, Missouri facilities with General Motors' employees and reimburse General Motors for the wages of such employees on the basis of our employee wage structure. We enter into these arrangements to enhance our relationship with customers. As of January 1, 1998, the General Motors' employees working at our Lordstown, Ohio facility under this agreement became Lear employees.

General Motors and DaimlerChrysler have experienced work stoppages over the past few years, primarily relating to the outsourcing of automotive components.

These work stoppages halted the production of certain vehicle models and adversely affected our operations.

Our contracts with major customers generally provide for an annual productivity price reduction and, in some cases, provide for the recovery of increases in material and labor costs. Cost reduction through design changes, increased productivity and similar productivity price reduction programs with our suppliers have generally offset changes in selling prices. Our cost structure is comprised of a high percentage of variable costs. We believe that this structure provides us with additional flexibility during economic cycles.

MARKETING AND SALES

We market our products by maintaining strong customer relationships. We have developed these relationships over our 80-year history through:

- extensive technical and product development capabilities;
- reliable delivery of high quality products;
- strong customer service;
- innovative new products; and
- a competitive cost structure.

Close personal communications with automotive manufacturers is an integral part of our marketing strategy. Recognizing this, we are organized into independent divisions, each with the ability to focus on its customers and programs and each having complete responsibility for the product, from design to installation. By moving the decision-making process closer to the customer and by instilling a philosophy of "cooperative autonomy," we are more responsive to, and have strengthened our relationships with, our customers. Automotive manufacturers have generally continued to reduce the number of their suppliers as part of a strategy to purchase interior systems rather than individual components. This process favors suppliers like Lear with established ties to automotive manufacturers and the demonstrated ability to adapt to the new competitive environment in the automotive industry.

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Our sales are originated almost entirely by our sales staff. This marketing effort is augmented by design and manufacturing engineers who work closely with automotive manufacturers from the preliminary design to the manufacture and supply of interior systems or components. Manufacturers have increasingly looked to suppliers like Lear to assume responsibility for introducing product innovation, shortening the development cycle of new models, decreasing tooling investment and labor costs, reducing the number of costly design changes in the early phases of production and improving interior comfort and functionality. Once we are engaged to develop the design for the interior system or component of a specific vehicle model, we are also generally engaged to supply these items when the vehicle goes into production. We have devoted substantial resources toward improving our engineering and technical capabilities and developing advanced technology centers in the United States and in Europe. We have also developed full-scope engineering capabilities, including all aspects of safety and functional testing, acoustics testing and comfort assessment. In addition, we have established numerous product engineering sites in close proximity to our automotive manufacturer customers to enhance customer relationships and design activity. Finally, we have implemented a program of dedicated teams consisting of interior trim and seat system personnel who are able to meet all of a customer's interior needs. These teams provide a single interface for our customers and help avoid duplication of sales and engineering efforts.

COMPETITION

We are the leading supplier of automotive interior products with manufacturing capabilities in all five automotive interior segments: seat systems; flooring and acoustic systems; door panels; headliners; and instrument panels. Within each segment, we compete with a variety of independent suppliers and automotive manufacturer in-house operations. Set forth below is a summary of our primary independent competitors.

- Seat Systems. We are one of two primary independent suppliers in the

outsourced North American seat systems market. Our main independent competitor in North America is Johnson Controls, Inc. Our major independent competitors in Western Europe are Johnson Controls, Inc. and Faurecia (headquartered in France).

- Electrical Distribution Systems and Electrical/Electronic Products. With the acquisition of UT Automotive, we became one of the leading independent suppliers of automotive electrical distribution systems in North America and Europe. Our major independent competitors in the electrical distribution systems market include Delphi, Yazaki and Sumitomo. The electrical/electronic automotive products industry remains highly fragmented. Other participants in the electrical/ electronic products industry include Eaton, Tokai Rika, Kostal, Methode, Pollack, Cherry, Niles, Omron and others.

- Flooring and Acoustic Systems. We are one of the three primary independent suppliers in the outsourced North American flooring and acoustic systems market. Our primary independent competitors are Collins & Aikman Corp. and the Magee Carpet Company. Our major independent competitors in Western Europe include Sommer Alibert Industrie, Emfisint Automotive SA, Radici, Treves ETS and Rieter Automotive.

- Other Interior Systems and Components. Our major independent competitors in the headliner, door panel and instrument panel segments include Johnson Controls, Inc., Magna International, Inc., Davidson Interior Trim (a division of Textron, Inc.), Delphi, Plastic Omnium, Sommer Alibert Industrie and a large number of smaller operations. Visteon also competes in these markets.

SEASONALITY

Our principal operations are directly related to the automotive industry. Consequently, we may experience seasonal fluctuation to the extent automotive vehicle production slows, such as in the summer months when plants close for model year changeovers and vacation. Historically, our sales and operating profit have been the strongest in the second and fourth calendar quarters.

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EMPLOYEES

As of April 3, 1999, on a pro forma basis, we employed approximately 47,000 persons in the United States and Canada, 22,000 in Mexico, 31,000 in Europe and 6,000 in other regions of the world. A substantial number of our employees are members of unions. We have collective bargaining agreements with several unions including: the UAW; the CAW; the Textile Workers of Canada; the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America; the International Association of Machinists and Aerospace Workers; and the AFL-CIO. Each of our unionized facilities in the United States and Canada has a separate contract with the union which represents the workers employed there, with each such contract having an expiration date independent of our other labor contracts. The majority of our European and Mexican employees are members of industrial trade union organizations and confederations within their respective countries. The majority of these organizations and confederations operate under national contracts which are not specific to any one employer. We have experienced some labor disputes at our plants, none of which has significantly disrupted production or had a materially adverse effect on our operations. We have been able to resolve all such labor disputes and believe our relations with our employees are generally good.

In addition, as part of our long-term agreements with General Motors, we currently operate two facilities with an aggregate of approximately 600 General Motors' employees and reimburse General Motors for the wages of such employees on the basis of our wage structure.

PROPERTIES

As of April 3, 1999, on a pro forma basis, our operations were conducted through 323 facilities, some of which are used for multiple purposes, including 232 manufacturing facilities, 23 product engineering centers and 6 advanced technology centers, in 33 countries. Our world headquarters is located in Southfield, Michigan.

No facility is materially underutilized. Of the 323 facilities (which include facilities owned by our less than majority-owned affiliates), 158 are

owned and 165 are leased with expiration dates ranging from 1999 through 2010. We believe substantially all of our property and equipment is in good condition and that we have sufficient capacity to meet our current and expected manufacturing and distribution needs.

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THE EXCHANGE OFFER

INTRODUCTION

Lear hereby offers to exchange up to \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 7.96% Senior Notes due 2005 and up to \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009 which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 8.11% Senior Notes due 2009, in each case on the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal. The offer described in the immediately preceding sentence is referred to in this prospectus as the "exchange offer." Holders may tender some or all of their original securities pursuant to the exchange offer. However, original securities tendered in the exchange offer must be in denominations of \$1,000 or any integral multiple of \$1,000.

As of the date of this prospectus, \$600,000,000 aggregate principal amount of the original unregistered 7.96% Senior Notes due 2005 and \$800,000,000 aggregate principal amount of original unregistered 8.11% Senior Notes due 2009 are outstanding. This prospectus, together with the letter of transmittal, is first being sent to holders of original securities on or about , 1999.

TERMS OF THE EXCHANGE OFFER

On the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, Lear will accept for exchange pursuant to the exchange offer original securities that are validly tendered and not withdrawn prior to the expiration date. As used in this prospectus, the term "expiration date" means 5:00 p.m., New York City time, on , 1999. However, if Lear, in its sole discretion, extends the period of time for which the exchange offer is open, the term "expiration date" will mean the latest time and date to which Lear shall have extended the expiration of the exchange offer.

The exchange offer is subject to the conditions set forth in "-- Conditions to the Exchange Offer." Lear reserves the right, but will not be obligated, to waive any or all of the conditions to the exchange offer.

Lear reserves the right, at any time or from time to time, to extend the period of time during which the exchange offer is open by giving written notice of such extension to the exchange agent and by making a public announcement of such extension. There can be no assurance that Lear will exercise its right to extend the exchange offer. During any extension period, all original securities previously tendered will remain subject to the exchange offer and may be accepted for exchange by Lear. Assuming the prior satisfaction or waiver of the conditions to the exchange offer, Lear will accept for exchange, and exchange, promptly after the expiration date, in accordance with the terms of the exchange offer, all original securities validly tendered pursuant to the exchange offer and not withdrawn prior to the expiration date. Any original securities not accepted by Lear for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.

Lear reserves the right, at any time or from time to time, to (1) terminate the exchange offer, and not to accept for exchange any original securities not previously accepted for exchange, upon the occurrence of any of the events set forth in "-- Conditions to the Exchange Offer," by giving written notice of such termination to the exchange agent and (2) waive any conditions or otherwise amend the exchange offer in any respect, by giving written notice to the exchange agent. An extension, termination, or amendment of the exchange offer will be followed as promptly as practicable by public announcement, the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Without limiting the manner in which Lear may choose to make any public announcement, Lear will have no obligation to make or communicate any

such announcement otherwise than by issuing a release to the Dow Jones News Service or as otherwise may be required by law.

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Holders of original securities do not have any appraisal or dissenters' rights under the General Corporation Law of the State of Delaware, the indenture, or the supplemental indenture in connection with the exchange offer. Lear intends to conduct the exchange offer in accordance with the applicable requirements of the Securities Act, the Exchange Act, and the rules and regulations of the Securities and Exchange Commission promulgated under those Acts.

PROCEDURES FOR TENDERING

Except as set forth below, any holder of original securities that wishes to tender original securities must cause the following to be transmitted to and received by The Bank of New York, the exchange agent, at the address set forth below under "-- Exchange Agent" no later than 5:00 p.m., New York City time, on the expiration date:

- The certificates representing the tendered original securities or, in the case of a book-entry tender as described below, a confirmation of the book-entry transfer of the tendered original securities into the exchange agent's account at DTC, as book-entry transfer facility;
- A properly completed and duly executed letter of transmittal in the form accompanying this prospectus (with any required signature guarantees) or, at the option of the tendering holder in the case of a book-entry tender, an agent's message in lieu of such letter of transmittal; and
- Any other documents required by the letter of transmittal.

The method of delivery of original securities, letters of transmittal, and all other required documents is at your election and risk. If the delivery is by mail, Lear recommends that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send letters of transmittal or certificates representing original securities to Lear.

Any beneficial owner of original securities that are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee who wishes to participate in the exchange offer should promptly contact the person through which it beneficially owns such original securities and instruct that person to tender original securities on behalf of such beneficial owner.

Any registered holder of original securities that is a participant in DTC's Book-Entry Transfer Facility system may tender original securities by book-entry delivery by causing DTC to transfer the original securities into the exchange agent's account at DTC in accordance with DTC's procedures for such transfer. However, a properly completed and duly executed letter of transmittal in the form accompanying this prospectus (with any required signature guarantees) or an agent's message, and any other required documents, must nonetheless be transmitted to and received by the exchange agent at the address set forth below under "-- Exchange Agent" prior to the expiration date. DELIVERY OF DOCUMENTS TO DTC IN ACCORDANCE WITH ITS PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

The term "agent's message" means a message transmitted by DTC to, and received by, the exchange agent and forming a part of a confirmation of the book-entry tender of their original securities into the exchange agent's account at DTC which states that DTC has received an express acknowledgment from each participant tendering through DTC's automated Tender Offer Program that the participant has received and agrees to be bound by, and makes the representations and warranties contained in, the letter of transmittal and that Lear may enforce the letter of transmittal against the participant.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the original securities surrendered for exchange are tendered:

- by a registered holder of the original securities who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery

Instructions" on the letter of transmittal; or

- for the account of an eligible institution.

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In the event that signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantees must be made by a firm that is an eligible institution -- including most banks, savings and loan associations, and brokerage houses -- that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program, or the Stock Exchanges Medallion Program.

If the letter of transmittal is signed by a person or persons other than the registered holder or holders of the original securities, the letter of transmittal must be accompanied by a written instrument or instruments of transfer or exchange in a form satisfactory to Lear, in its sole discretion, and duly executed by the registered holder or holders with the signature guaranteed by an eligible institution. Certificates representing the original securities must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the certificates representing the original securities.

If the letter of transmittal or any certificates representing original securities, instruments of transfer or exchange, or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, the persons should so indicate when signing, and, unless waived by Lear, proper evidence satisfactory to Lear of their authority to so act must be submitted.

By tendering original securities pursuant to the exchange offer, each holder will represent to Lear that, among other things:

- the holder has full power and authority to tender, sell, assign, transfer, and exchange the original securities tendered;
- when such original securities are accepted by Lear for exchange, Lear will acquire good and unencumbered title to the original securities, free and clear of all liens, restrictions, charges, encumbrances, and adverse claims;
- the exchange securities acquired pursuant to the exchange offer are being acquired in the ordinary course of business of the person receiving the exchange securities (whether or not the person is the holder of the original securities);
- neither the holder nor any such other person is engaging in or intends to engage in a distribution of the exchange securities;
- neither the holder nor any such other person has an arrangement or understanding with any person to participate in a distribution of the exchange securities; and
- neither the holder nor any such other person is an affiliate of Lear, or if either is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act.

In addition, each broker-dealer that is to receive exchange securities for its own account in exchange for original securities must represent that such original securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, and must acknowledge that it will deliver a prospectus that meets the requirements of the Securities Act in connection with any resale of the exchange securities. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "Plan of Distribution."

Lear will interpret the terms and conditions of the exchange offer, including the letter of transmittal and the instructions to the letter of transmittal, and will resolve all questions as to the validity, form, eligibility (including time of receipt), and acceptance of original securities tendered for exchange. Lear's determinations in this regard will be final and

binding on all parties. Lear reserves the absolute right to reject any and all tenders of any particular original securities not properly tendered or to not accept any particular original securities if the acceptance might, in Lear's or its counsel's judgment, be unlawful. Lear also reserves the absolute right to waive any defects or irregularities or conditions of the exchange offer as

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to any particular original securities either before or after the expiration date, including the right to waive the ineligibility of any holder who seeks to tender original securities in the exchange offer.

Unless waived, any defects or irregularities in connection with tenders of original securities for exchange must be cured within such reasonable period of time as Lear determines. Neither Lear, the exchange agent, nor any other person will be under any duty to give notification of any defect or irregularity with respect to any tender of original securities for exchange, nor will any of them incur any liability for any failure to give notification. Any original securities received by the exchange agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the exchange agent to the tendering holder, unless otherwise provided in the letter of transmittal, promptly after the expiration date.

ACCEPTANCE OF ORIGINAL SECURITIES FOR EXCHANGE; DELIVERY OF EXCHANGE SECURITIES

Upon satisfaction or waiver of all of the conditions to the exchange offer, Lear will accept, promptly after the expiration date, all original securities that have been validly tendered and not withdrawn, and will issue the applicable exchange securities in exchange for such original securities promptly after its acceptance of such original securities. See "-- Conditions to the Exchange Offer" below.

For purposes of the exchange offer, Lear will be deemed to have accepted validly tendered original securities for exchange when, as, and if Lear has given written notice of such acceptance to the exchange agent.

For each original note accepted for exchange, the holder of the original note will receive an exchange note having a principal amount equal to that of the surrendered original note. The exchange notes will accrue interest from the date of completion of the exchange offer. Holders of original notes that are accepted for exchange will receive accrued and unpaid interest on such original notes to, but not including, the date of completion of the exchange offer. Such interest will be paid on the first interest payment date for the exchange notes and will be paid to the holders on the relevant record date of the exchange notes issued in respect of the original notes being exchanged. Interest on the original notes being exchanged in the exchange offer will cease to accrue on the date of completion of the exchange offer.

In all cases, issuance of exchange securities for original securities that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- the certificates representing the original securities, or a timely confirmation of book-entry transfer of the original securities into the exchange agent's account at the book-entry transfer facility;
- a properly completed and duly executed letter of transmittal (or, in the case of a book-entry tender, an agent's message); and
- all other required documents.

If any tendered original securities are not accepted for any reason or if original securities are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged original securities will be returned without expense to the tendering holder of the original securities or, if the original securities were tendered by book-entry transfer, the non-exchanged original securities will be credited to an account maintained with the book-entry transfer facility. In either case, the return of such original securities will be effected promptly after the expiration or termination of the exchange offer.

BOOK-ENTRY TRANSFER

The exchange agent has advised Lear that it will establish an account with respect to the original securities at The Depository Trust Company, as book-entry transfer facility, for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of original securities by causing the book-entry transfer facility to transfer the original securities into the exchange agent's

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account at the facility in accordance with the facility's procedures for transfer. However, although delivery of original securities may be effected through book-entry transfer at the facility, a properly completed and duly executed letter of transmittal (with any required signature guarantees) or an agent's message, and any other required documents, must nonetheless be transmitted to, and received by, the exchange agent at the address set forth below under "-- Exchange Agent" prior to the expiration date, unless the holder has strictly complied with the guaranteed delivery procedures described below.

GUARANTEED DELIVERY PROCEDURES

If a registered holder of original securities desires to tender its original securities, and the original securities are not immediately available, or time will not permit the holder's original securities or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer described above cannot be completed on a timely basis, a tender may nonetheless be effected if:

- the tender is made through an eligible institution;
- prior to the expiration date, the exchange agent receives from an eligible institution a properly completed and duly executed letter of transmittal (or, in the case of a book-entry tender, an agent's message) and notice of guaranteed delivery, substantially in the form provided by Lear, by facsimile transmission, mail, or hand delivery, (a) setting forth the name and address of the holder of original securities and the amount of original securities tendered, (b) stating that the tender is being made thereby, and (c) guaranteeing that, within three NYSE trading days after the expiration date, the certificates for all physically tendered original securities, in proper form for transfer, or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and
- the certificates for all physically tendered original securities, in proper form for transfer, or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal, are received by the exchange agent within three NYSE trading days after the expiration date.

WITHDRAWAL RIGHTS

You may withdraw tenders of original securities at any time prior to 5:00 p.m., New York City time, on the expiration date. Withdrawals may be made of any portion of such original securities in integral multiples of \$1,000 principal amount.

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent at the address or, in the case of eligible institutions, at the facsimile number, set forth below under "-- Exchange Agent" prior to 5:00 p.m., New York City time, on the expiration date. Any such notice of withdrawal must:

- specify the name of the person who tendered the original securities to be withdrawn;
- identify the original securities to be withdrawn, including the certificate number or numbers and principal amount of the original securities;
- contain a statement that the holder is withdrawing his election to have the original securities exchanged;

- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the original securities were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the registrar with respect to the original securities (i.e., the trustee) register the transfer of such original securities in the name of the person withdrawing the tender; and

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- specify the name in which such original securities are registered, if different from that of the person who tendered the original securities.

If original securities have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn original securities and otherwise comply with the procedures of the facility. All questions as to the validity, form, and eligibility, including time of receipt, of notices of withdrawal will be determined by Lear, whose determination will be final and binding on all parties. Any original securities so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Properly withdrawn original securities may be retendered by following the procedures described under "-- Procedures for Tendering" above at any time prior to 5:00 p.m., New York City time, on the expiration date.

CONDITIONS TO THE EXCHANGE OFFER

Lear need not exchange any original securities, may terminate the exchange offer or may waive any conditions to the exchange offer or amend the exchange offer, if any of the following conditions have occurred:

- the Securities and Exchange Commission's staff no longer allows the exchange securities to be offered for resale, resold and otherwise transferred by certain holders without compliance with the registration and prospectus delivery provisions of the Securities Act;
- a government body passes any law, statute, rule or regulation which, in Lear's opinion, prohibits or prevents the exchange offer, or
- the Securities and Exchange Commission or any state securities authority issues a stop order suspending the effectiveness of the registration statement or initiates or threatens to initiate a proceeding to suspend the effectiveness of the registration statement.

If Lear reasonably believes that any of the above conditions has occurred, it may (1) terminate the exchange offer, whether or not any original securities have been accepted for exchange, (2) waive any condition to the exchange offer or (3) amend the terms of the exchange offer in any respect. Lear's failure at any time to exercise any of these rights will not waive such rights, and each right will be deemed an ongoing right which may be asserted at any time or from time to time. However, Lear does not intend to terminate the exchange offer if none of the preceding conditions has occurred.

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EXCHANGE AGENT

The Bank of New York has been appointed as the exchange agent for the exchange offer. The Bank of New York also acts as trustee under the indenture. All executed letters of transmittal should be directed to the exchange agent at the address set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal, and requests for notices of guaranteed delivery should be directed to the exchange agent addressed as follows:

DELIVERY TO: THE BANK OF NEW YORK, EXCHANGE AGENT

The Bank of New York
101 Barclay Street
Corporate Trust Services Window
Ground Level
Attention: Tolutope Adeyujo
Reorganization Section

(212) 815-4699
To Confirm by Telephone
or for Information Call:
(212) 815-2824

The Bank of New York
101 Barclay Street, 7E
New York, New York 10286
Attention: Tolutope Adeyujo
Reorganization Section

IF YOU DELIVER THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMIT INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, SUCH DELIVERY OR INSTRUCTIONS WILL NOT BE EFFECTIVE.

FEES AND EXPENSES

Lear will not make any payment to brokers, dealers, or others for soliciting acceptances of the exchange offer. Lear will pay the estimated cash expenses to be incurred in connection with the exchange offer. Lear estimates these expenses, excluding the registration fee paid to the Securities and Exchange Commission, will be approximately \$1 million.

ACCOUNTING TREATMENT

Lear will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. Lear will amortize the expense of the exchange offer over the term of the exchange securities under generally accepted accounting principles.

TRANSFER TAXES

Holders who tender their original securities for exchange will not be obligated to pay any related transfer taxes, except that holders who instruct Lear to register exchange securities in the name of, or request that original securities not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer taxes on such transfer.

RESTRICTIONS ON TRANSFER OF ORIGINAL SECURITIES

The original securities were originally issued in a transaction exempt from registration under the Securities Act, and may be offered, sold, pledged, or otherwise transferred only:

- in the United States to a person whom the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act);
- outside the United States in an offshore transaction in accordance with Rule 904 under the Securities Act;

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- pursuant to an exemption from registration under the Securities Act provided by Rule 144, if available; or
- pursuant to an effective registration statement under the Securities Act.

The offer, sale, pledge, or other transfer of original securities must also be made in accordance with any applicable securities laws of any state of the United States, and the seller must notify any purchaser of the original securities of the restrictions on transfer described above. Holders of original securities who do not exchange their original securities for exchange securities pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such original securities. Lear does not currently anticipate that it will register original securities under the Securities Act. See "Risk Factors -- Failure to Exchange."

TRANSFERABILITY OF EXCHANGE SECURITIES

Based on interpretations by the staff of the Securities and Exchange Commission, as set forth in no-action letters issued to third parties, Lear believes that exchange securities issued pursuant to the exchange offer may be offered for resale, resold, or otherwise transferred by holders that are not affiliates of Lear within the meaning of Rule 405 under the Securities Act,

without compliance with the registration and prospectus delivery provisions of the Securities Act if such exchange securities are acquired in the ordinary course of such holders' business and such holders do not engage in, and have no arrangement or understanding with any person to participate in, a distribution of such exchange securities. However, the Securities and Exchange Commission has not considered the exchange offer in the context of a no-action letter. Lear cannot assure that the staff of the Securities and Exchange Commission would make a similar determination with respect to the exchange offer. If any holder of original securities is an affiliate of Lear or is engaged in or intends to engage in, or has any arrangement or understanding with any person to participate in a distribution of the exchange securities to be acquired pursuant to the exchange offer, such holder:

- cannot rely on the interpretations of the staff of the Securities and Exchange Commission set forth in the no-action letters referred to above; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the original securities or the exchange securities.

Each broker-dealer that is to receive exchange securities for its own account in exchange for original securities must represent that such original securities were acquired by such broker-dealer as a result of market-making activities or other trading activities and must acknowledge that it will deliver a prospectus in connection with any resale of the exchange securities. In addition, to comply with the securities laws of certain jurisdictions, if applicable, the exchange securities may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification, with which there has been compliance, is available. See "Plan of Distribution."

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DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

PRIMARY CREDIT FACILITIES

The following is a summary of certain provisions of our primary credit facilities. The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of our primary credit facilities, including all of the definitions therein of terms not defined in this prospectus. The agreements governing our primary credit facilities were filed with the Securities and Exchange Commission on May 6, 1999 as exhibits to our Current Report on Form 8-K dated May 4, 1999.

Amended and Restated Revolving Credit Facility. Our amended and restated revolving credit facility currently provides for:

- borrowings in a principal amount of up to \$2.1 billion outstanding at any one time;
- swing line loans in a maximum aggregate amount of \$150 million, the commitment for which is part of the aggregate amended and restated revolving credit facility commitment;
- letters of credit in an aggregate face amount of up to \$250 million, the commitment for which is part of the aggregate amended and restated revolving credit facility commitment; and
- multicurrency borrowings in a maximum aggregate amount of up to \$500 million, the commitment for which is part of the aggregate amended and restated revolving credit facility commitment.

The entire unpaid balance under our amended and restated revolving credit facility will be payable on September 30, 2001.

New Credit Facilities. In addition to our amended and restated revolving credit facility, our primary credit facilities are comprised of:

- a new revolving credit facility providing for borrowings of up to \$500 million and maturing on May 4, 2004;

- a new \$500 million term loan having scheduled amortization beginning in October 31, 2000 and a final maturity of May 4, 2004; and
- multicurrency borrowings in a maximum aggregate amount of up to \$165 million, the commitment for which is part of the aggregate new revolving credit facility commitment.

The loans under our amended and restated revolving credit facility, our new revolving loans and our new term loan are collectively referred to in this prospectus as the "Loans."

Interest. For purposes of calculating interest, the U.S. dollar Loans can be, at our election, ABR Loans or Eurodollar Loans or a combination thereof. ABR Loans bear interest at the higher of (a) The Chase Manhattan Bank's, or any replacement agent's, prime rate and (b) the federal funds rate plus 0.50%. Eurodollar Loans bear interest at the relevant Eurodollar Rate plus a margin based on the level of a specified financial ratio or Lear's credit ratings on its long-term senior unsecured debt.

Repayment. Subject to the provisions of our primary credit facilities, we may, from time to time, borrow, repay and reborrow under our amended and restated revolving credit facility and our new revolving credit facility. Our new term loan provides for scheduled repayments of \$50 million in 2000, \$100 million in 2001, \$125 million in 2002, \$150 million in 2003 and \$75 million in 2004. Amounts repaid under our new term loan may not be reborrowed. We can prepay our new term loan at any time prior to maturity.

Security and Guarantees. With certain exceptions, the Loans are guaranteed by our direct and indirect domestic subsidiaries that account for 10% or more of our consolidated assets or revenues, on a pro forma basis. With certain exceptions, the Loans are secured by a pledge to the Agent for the ratable benefit of the banks party to our primary credit facilities of all or a portion of the capital stock of our subsidiaries comprising 10% or more of our consolidated assets or revenues, on a pro forma basis. The

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stock pledges also equally and ratably secure our obligations under term loans having an aggregate principal amount of \$75 million. Pursuant to the terms of our primary credit facilities, the guarantees and the stock pledges shall be released when and if:

- Lear attains "Release Status" or achieves a leverage ratio (as calculated pursuant to our primary credit facilities) of less than 2.50 to 1.00;
- the agent has no actual knowledge of the existence of a default;
- Lear delivers an officer's certificate that such officer has obtained no knowledge of a default or an event of default; and
- the guarantees of the notes shall have been released or shall be released simultaneously with the guarantees of our primary credit facilities.

Under our primary credit facilities, "Release Status" is generally defined to exist at any time when the actual or implied rating of our senior long-term unsecured debt is at or above "BBB-" from Standard & Poor's Ratings Group or at or above "Baa3" from Moody's Investors Service, Inc.

Covenants. Our primary credit facilities contain financial covenants relating to ratios of consolidated operating profit to consolidated interest expense and of consolidated indebtedness to consolidated operating profit. Our primary credit facilities also contain restrictive covenants pertaining to the management and operation of Lear. The covenants include, among others, limitations on indebtedness, guarantees, mergers, acquisitions, fundamental corporate changes, asset sales, investments, loans and advances, liens, dividends and other stock payments, transactions with affiliates and optional payments and modification of debt instruments.

Events of Default. Our primary credit facilities provide for events of default customary in facilities of these types, including:

- failure to make payments when due;

- breach of certain covenants;
- breach of representations or warranties in any material respect when made;
- default under any agreement relating to debt for borrowed money in excess of \$40 million in the aggregate;
- bankruptcy defaults;
- unsatisfied judgments in excess of \$40 million;
- ERISA defaults;
- any security document or guarantee ceasing to be in full force and effect other than as otherwise contemplated by the relevant primary credit facility;
- the subordination provisions in the instruments under which subordinated debt (or any refinancings thereof) were created ceasing to be in full force and effect or enforceable to the same extent purported to be created thereby; and
- a change of control of Lear.

SUBORDINATED NOTES

We currently have outstanding \$136 million of 8 1/4% subordinated notes due 2002 and \$200 million of 9 1/2% subordinated notes due 2006 (collectively the "Subordinated Notes") which will remain outstanding. The Subordinated Notes are subordinated in right of payment to all of our existing and future senior indebtedness, including the exchange notes and obligations arising under our primary credit facilities. Interest on the Subordinated Notes is payable in arrears semi-annually.

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The indentures governing the Subordinated Notes (the "Subordinated Note Indentures") limit, among other things:

- the making of any Restricted Payment (as defined in the Subordinated Note Indentures);
- the incurrence of indebtedness unless we satisfy a specified cash flow to interest expense coverage ratio;
- the creation of liens;
- the incurrence of payment restrictions affecting subsidiaries;
- entering into transactions with stockholders and affiliates;
- the sale of assets;
- the issuance of preferred stock; and
- the merger, consolidation or sale of all or substantially all of our assets.

The Subordinated Note Indentures also provide that a holder of the Subordinated Notes may, under certain circumstances, have the right to require that we repurchase such holder's securities upon a change of control of Lear at 101% of their principal amount plus accrued and unpaid interest (if any) to the date of repurchase.

The 8 1/4% subordinated notes mature on February 1, 2002 and may, at our option, be redeemed in whole or in part, on at least 30 days' but not more than 60 days' notice to each holder of the notes to be redeemed at 100% of their principal amount together with accrued and unpaid interest (if any) to the redemption date. The 9 1/2% subordinated notes mature on July 15, 2006 and may, at our option, be redeemed in whole or in part at any time on or after July 15, 2001, on at least 30 days' but not more than 60 days' notice to each holder of the notes to be redeemed at specified redemption prices.

OTHER DEBT

As of April 3, 1999, on a pro forma basis, we would have had outstanding approximately \$261 million of debt other than the debt under our primary credit facilities, our Subordinated Notes and the original notes. This debt consisted primarily of U.S. term loans, foreign subsidiary working capital indebtedness, industrial revenue bonds and capital leases. The U.S. term loans, having an aggregate principal amount of \$75 million, are secured by an equal and ratable pledge of the subsidiary stock securing our primary credit facilities and are guaranteed by the same domestic subsidiaries that guarantee the Loans under our primary credit facilities. The stock pledge shall be released when and if the stock pledge securing our primary credit facilities is released. Approximately \$92 million of the remaining debt was incurred by subsidiaries and, in certain cases, is guaranteed by Lear.

Several of our European subsidiaries factor their accounts receivable with financial institutions subject to limited recourse provisions and are charged a discount fee. The amount of such factored receivables, at April 3, 1999, was approximately \$168 million.

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DESCRIPTION OF EXCHANGE SECURITIES

GENERAL

The forms and terms of the exchange securities and the original securities are identical in all respects except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the original securities do not apply to the exchange securities. Except where the context otherwise requires, references below to "notes" or "securities" are references to both original notes and exchange notes or both original securities and exchange securities, as the case may be.

The exchange securities will be issued under the Indenture dated as of May 15, 1999 (the "Indenture"), among Lear, the Guarantors and The Bank of New York, as Trustee (the "Trustee"). The following discussion includes a summary of certain material provisions of the Indenture and the exchange securities. Because this discussion is a summary, it does not include all of the provisions of the Indenture, including the definitions therein of certain terms and those terms made part of the Indenture by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the exchange securities. You should read the Indenture and the exchange securities carefully and in their entirety. Copies of the Indenture and the form of exchange securities have been filed as exhibits to the registration statement of which this prospectus is part.

The exchange notes will be limited to an aggregate principal amount of up to \$1,400,000,000, consisting of \$600,000,000 aggregate principal amount of 7.96% Series B Senior Notes due 2005 (the "Exchange Notes Due 2005") and \$800,000,000 aggregate principal amount of 8.11% Series B Senior Notes due 2009 (the "Exchange Notes Due 2009").

Exchange Notes Due 2005. The Exchange Notes Due 2005 will mature on May 15, 2005. The Exchange Notes Due 2005 will bear interest from the date of issuance, at 7.96% per annum, payable semiannually on May 15 and November 15 of each year, commencing on November 15, 1999. Interest will be payable to the person in whose name an Exchange Note Due 2005 (or any predecessor Exchange Note Due 2005) is registered, subject to certain exceptions set forth in the Indenture, at the close of business on May 1 or November 1, as the case may be, immediately preceding such May 15 or November 15. Interest on the Exchange Notes Due 2005 will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each.

Exchange Notes Due 2009. The Exchange Notes Due 2009 will mature on May 15, 2009. The Exchange Notes Due 2009 will bear interest from the date of issuance, at 8.11% per annum, payable semiannually on May 15 and November 15 of each year, commencing on November 15, 1999. Interest will be payable to the person in whose name an Exchange Note Due 2009 (or any predecessor Exchange Note Due 2009) is registered, subject to certain exceptions set forth in the Indenture, at the close of business on May 1 or November 1, as the case may be, immediately preceding such May 15 or November 15. Interest on the Exchange Notes Due 2009 will be calculated on the basis of a 360-day year consisting of 12

months of 30 days each.

Principal of and premium, if any, and interest on the exchange notes will be payable, and the exchange notes will be exchangeable and transfers thereof will be registrable, at an office or agency of Lear, one of which will be maintained for such purpose in New York, New York (which initially will be the corporate trust office of the Trustee) or such other office or agency permitted under the Indenture. So long as the exchange notes are represented by global notes, the interest payable on such exchange notes will be paid to Cede & Co., the nominee of The Depository Trust Company ("DTC"), or its registered assigns as the registered owner of such global notes, by wire transfer of immediately available funds on each applicable interest payment date. If any of the exchange notes are no longer represented by global notes, payment of interest thereon may, at our option, be made by check mailed to the address of the person entitled thereto.

The original notes and the exchange notes of each tranche constitute a single class of securities and will vote and consent together on all matters as one series, and neither the original notes nor the exchange

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notes of the same tranche will have the right to vote or consent as a class or series separate from one another on any matter.

The exchange notes will be issued only in registered form without coupons, in denominations of \$1,000 or integral multiples thereof. To the extent described under "-- Book Entry; Delivery and Form" below, the principal of and interest on the exchange notes will be payable and transfer of the exchange notes will be registrable through DTC. No service charge will be made for any registration of transfer or exchange of exchange notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

The Indenture does not contain any provisions that would limit the ability of Lear or the Guarantors to incur indebtedness or that would require the maintenance of financial ratios or specified levels of net worth or liquidity. In addition, the Indenture does not contain any provisions that would require Lear to repurchase or redeem or otherwise modify the terms of any of the exchange securities upon a change in control or other events involving Lear that may adversely affect the creditworthiness of the exchange securities. However, the Indenture does:

- provide that, subject to certain exceptions, neither Lear nor any Restricted Subsidiary will subject its property or assets to any mortgage or other encumbrance unless the exchange notes are secured equally and ratably with such other indebtedness thereby secured; and
- contain certain limitations on the ability of Lear and its Restricted Subsidiaries to enter into certain sale and lease-back arrangements.

See "-- Certain Covenants."

OPTIONAL REDEMPTION

The Exchange Notes Due 2005 and the Exchange Notes Due 2009 will be redeemable as a whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of (i) 100% of the principal amount of such Exchange Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date discounted, to the redemption date on a semiannual basis (assuming a 360-day year consisting of 12 months of 30 days each) at the Treasury Rate plus 50 basis points, in each case, together with any interest accrued but not paid to the date of redemption.

"Treasury Rate" means, with respect to any redemption date for the Exchange Notes Due 2005 and the Exchange Notes Due 2009, as the case may be, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity

corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for the Exchange Notes Due 2005 or the Exchange Notes Due 2009, as the case may be, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Exchange Notes Due 2005 or the Exchange Notes Due 2009, as the case may be, to be redeemed that would be utilized, at the

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time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means with respect to any redemption date for the Exchange Notes Due 2005 or the Exchange Notes Due 2009, as the case may be, (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with us.

"Reference Treasury Dealer" means Morgan Stanley & Co. Incorporated and three other primary U.S. Government securities dealers in New York City (each, a "Primary Treasury Dealer") appointed by the Trustee after consultation with us; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such redemption date.

Notice of redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of exchange notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the exchange notes or portions thereof called for redemption.

STATUS OF EXCHANGE NOTES

The exchange notes will be unsecured obligations of Lear, ranking pari passu with all other unsecured and unsubordinated indebtedness of Lear, and ranking senior in right of payment to the outstanding subordinated indebtedness of Lear and any future subordinated indebtedness of Lear. As of April 3, 1999, on a pro forma basis after giving effect to the Transactions, we would have had outstanding approximately \$3,207 million of senior indebtedness and approximately \$336 million of subordinated indebtedness. In addition, the exchange notes will be structurally subordinated to indebtedness of our subsidiaries other than indebtedness of the Guarantors. As of April 3, 1999, on a pro forma basis after giving effect to the Transactions, the Guarantors would have had outstanding approximately \$22 million of indebtedness (excluding indebtedness represented by guarantees of our Principal Credit Facilities and the exchange notes and intercompany debt) and our subsidiaries other than the Guarantors had outstanding approximately \$425 million of indebtedness (including \$333 million under our primary credit facilities).

Indebtedness under our Principal Credit Facilities is secured by pledges of all or a portion of the stock of certain of our subsidiaries, including the Guarantors. The exchange notes will not have the benefit of such pledges and the Indenture does not contain any restriction upon indebtedness, whether secured or unsecured, that Lear and its subsidiaries may incur in the future. The total amount of secured indebtedness as of April 3, 1999, on a pro forma basis after giving effect to the Transactions, would have been approximately \$41 million (excluding indebtedness under the Principal Credit Facilities). Secured creditors of Lear will have a claim on the assets which secure the obligations of Lear prior to any claims of holders of the exchange notes against such assets.

GUARANTEES

Each of certain of our domestic subsidiaries (the "Guarantors") will irrevocably and unconditionally guarantee on a joint and several basis the punctual payment when due, whether at stated maturity, by acceleration or otherwise, all of our obligations under the Indenture and the exchange notes, including our

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obligations to pay principal, premium, if any, and interest with respect to the exchange notes. Each of the Guarantees shall be a guarantee of payment and not of collection. The obligations of each Guarantor under its guarantee (each a "Guarantee") are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payment made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee can be guaranteed by such Guarantor without resulting in the obligations of such Guarantor under its Guarantee constituting a fraudulent conveyance or fraudulent transfer under applicable federal or state law. Notwithstanding the foregoing, there is a risk that the Guarantees will involve a fraudulent conveyance or transfer or otherwise be void, and thus will be unenforceable.

The Guarantors on the date of the Indenture were Lear Operations Corporation and Lear Corporation Automotive Holdings (formerly, UT Automotive). The Indenture provides that each subsidiary of Lear that becomes a guarantor under our Principal Credit Facilities after the date of the Indenture will become a Guarantor.

In the event that a subsidiary that is a Guarantor ceases to be a guarantor under our Principal Credit Facilities, such subsidiary will also cease to be a Guarantor, whether or not a Default or Event of Default is then outstanding, subject to reinstatement as a Guarantor in the event that such subsidiary should thereafter become a guarantor under our Principal Credit Facilities. A subsidiary may cease to be a Guarantor upon sale or other disposal of such subsidiary or otherwise. We are not restricted from selling or otherwise disposing of any of the Guarantors or any or all of the assets of any of the Guarantors.

The Indenture provides that if the exchange notes are defeased in accordance with the terms of the Indenture, including pursuant to a covenant defeasance, then the Guarantors shall be released and discharged of their obligations under the Guarantees. See "Description of Other Material Indebtedness -- Primary Credit Facilities -- Security and Guarantees."

CERTAIN COVENANTS

Limitation on Liens

The Indenture provides that Lear will not, nor will it permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any Lien on any of their respective properties or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, without effectively providing that the notes shall be equally and ratably secured until such time as such Indebtedness is no longer secured by such Lien, except:

(1) Permitted Liens;

(2) Liens on shares of capital stock of Subsidiaries of Lear (and the proceeds thereof) securing obligations under the Principal Credit Facilities;

(3) Liens on receivables subject to a Receivable Financing Transaction;

(4) Liens arising in connection with industrial development bonds or other industrial development, pollution control or other tax-favored or government-sponsored financing transactions, provided that such Liens do not at any time encumber any property other than the property financed by such transaction and other property, assets or revenues related to the property so financed on which Liens are customarily granted in connection with such transactions (in each case, together with improvements and attachments thereto);

(5) Liens granted after the Closing Date on any assets or properties of Lear or any of its Restricted Subsidiaries to secure obligations under the exchange notes;

(6) Extensions, renewals and replacements of any Lien described in subsections (1) through (5) above; and

(7) Other Liens in respect of Indebtedness of Lear and its Restricted Subsidiaries in an aggregate principal amount at any time not exceeding 5% of Consolidated Assets at such time.

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Limitation on Sale and Lease-Back Transactions

The Indenture provides that Lear will not, nor will it permit any of its Restricted Subsidiaries to, enter into any sale and lease-back transaction for the sale and leasing back of any property or asset, whether now owned or hereafter acquired, of Lear or any of its Restricted Subsidiaries (except such transactions (1) entered into prior to the Closing Date, (2) for the sale and leasing back of any property or asset by a Restricted Subsidiary of Lear to Lear or any other Restricted Subsidiary of Lear, (3) involving leases for less than three years or (4) in which the lease for the property or asset is entered into within 120 days after the later of the date of acquisition, completion of construction or commencement of full operations of such property or asset) unless:

(a) Lear or such Restricted Subsidiary would be entitled under the "Limitation on Liens" covenant above to create, incur, assume or permit to exist a Lien on the assets to be leased in an amount at least equal to the Attributable Value in respect of such transaction without equally and ratably securing the exchange notes, or

(b) the proceeds of the sale of the assets to be leased are at least equal to their fair market value and the proceeds are applied to the purchase, acquisition, construction or refurbishment of assets or to the repayment of Indebtedness of Lear or any of its Restricted Subsidiaries which on the date of original incurrence had a maturity of more than one year.

CERTAIN DEFINITIONS

The following terms shall have the meanings set forth below.

"Acquired Indebtedness" means Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of Lear or assumed in connection with the acquisition of assets from such Person and not incurred by such Person in contemplation of such Person becoming a Restricted Subsidiary of Lear or such acquisition, and any refinancings thereof.

"Attributable Value" means, in connection with a sale and lease-back transaction, the lesser of (1) the fair market value of the assets subject to such transaction and (2) the present value (discounted at a rate per annum equal to the rate of interest implicit in the lease involved in such sale and lease-back transaction, as determined in good faith by us) of the obligations of the lessee for rental payments during the term of the related lease.

"Closing Date" means the date on which the original notes were issued.

"Consolidated Assets" means at a particular date, all amounts which would be included under total assets on a consolidated balance sheet of Lear and its Restricted Subsidiaries as at such date, determined in accordance with GAAP.

"Financing Lease" means (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of Lear and its Restricted Subsidiaries and (b) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are applicable from time to time.

"Indebtedness" of a Person means all obligations which would be treated as liabilities upon a balance sheet of such Person prepared on a consolidated basis in accordance with GAAP.

"Investment" by any Person means (i) all investments by such Person in any other Person in the form of loans, advances or capital contributions, (ii) all guarantees of Indebtedness or other obligations of any other Person by such Person, (iii) all purchases (or other acquisitions for consideration) by such

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Person of Indebtedness, capital stock or other securities of any other Person; (iv) all other items that would be classified as investments (including, without limitation, purchases outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with GAAP.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement or any Financing Lease having substantially the same economic effect as any of the foregoing).

"Permitted Liens" means:

(1) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of Lear or its Restricted Subsidiaries, as the case may be, in accordance with GAAP (or, in the case of Restricted Subsidiaries organized outside the United States, generally accepted accounting principles in effect from time to time in their respective jurisdictions of organization);

(2) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, suppliers or other like Liens arising in the ordinary course of business relating to obligations not overdue for a period of more than 60 days or which are bonded or being contested in good faith by appropriate proceedings;

(3) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith and deposits securing liabilities to insurance carriers under insurance and self-insurance programs;

(4) Liens (other than any Lien imposed by ERISA) incurred on deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds, utility payments and other obligations of a like nature incurred in the ordinary course of business;

(5) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, do not materially interfere with the ordinary conduct of the business of Lear and its Restricted

Subsidiaries taken as a whole;

(6) attachment, judgment or other similar Liens arising in connection with court or arbitration proceedings fully covered by insurance or involving, individually or in the aggregate, no more than \$40,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 60 days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(7) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business;

(8) statutory Liens and rights of offset arising in the ordinary course of business of Lear and its Restricted Subsidiaries;

(9) Liens in connection with leases or subleases granted to others and the interest or title of a lessor or sublessor (other than Lear or any of its Subsidiaries) under any lease; and

(10) Liens securing Indebtedness in respect of interest rate agreement obligations or currency agreement obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

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"Principal Credit Facilities" means

(1) the Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent;

(2) the Interim Term Loan Agreement, dated as of May 4, 1999, among Lear, the Lenders parties thereto, Citicorp USA, Inc. and Credit Suisse First Boston, as Co-Syndication Agents, Deutsche Bank AG New York Branch, as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;

(3) the Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among Lear, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;

(4) the Term Loan Agreement, dated November 17, 1998, between Lear and Toronto Dominion (Texas), Inc., as amended by that certain amendment dated as of May 4, 1999; and

(5) the Term Loan Agreement, dated as of December 3, 1998, between Lear and Deutsche Bank AG, New York Branch and/or Cayman Islands Branch, as amended by that certain amendment dated as of May 4, 1999,

in each case, including any related notes, collateral documents, security documents, instruments and agreements entered into in connection therewith and, in each case, as the same may be amended, supplemented or otherwise modified (including any agreement extending the maturity of, increasing the total commitment under or otherwise restructuring all or any portion of the Indebtedness under any such agreement or any successor or replacement agreement), renewed, refunded, replaced, restated or refinanced from time to time.

"Receivable Financing Transaction" means any transaction or series of

transactions involving a sale for cash of accounts receivable, without recourse based upon the collectibility of the receivables sold, by Lear or any of its Restricted Subsidiaries to a Special Purpose Subsidiary and a subsequent sale or pledge of such accounts receivable (or an interest therein) by such Special Purpose Subsidiary, in each case without any guarantee by Lear or any of its Restricted Subsidiaries (other than the Special Purpose Subsidiary).

"Restricted Subsidiary" means any Subsidiary other than a Unrestricted Subsidiary.

"Significant Subsidiary" means any Subsidiary which has (i) consolidated assets or in which Lear and its other Subsidiaries have Investments, equal to or greater than 5% of the total consolidated assets of Lear at the end of its most recently completed fiscal year or (ii) consolidated gross revenue equal to or greater than 5% of the consolidated gross revenue of Lear for its most recently completed fiscal year.

"Special Purpose Subsidiary" means any wholly owned Restricted Subsidiary of Lear created by Lear for the sole purpose of facilitating a Receivable Financing Transaction.

"Subsidiary" of any Person means (1) a corporation a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person or by such Person and a subsidiary or subsidiaries of such Person or by a subsidiary or subsidiaries of such Person or (2) any other Person (other than a corporation) in which such Person or such Person and a subsidiary or subsidiaries of such Person or a subsidiary or subsidiaries of such Persons, at the time, directly or indirectly, owns at least a majority voting interest under ordinary circumstances.

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"Unrestricted Subsidiary" means any Subsidiary designated as such by the Board of Directors of Lear; provided, however, that at the time of any such designation by the Board of Directors, such Subsidiary does not constitute a Significant Subsidiary; and provided, further, that at the time that any Unrestricted Subsidiary becomes a Significant Subsidiary it shall cease to be an Unrestricted Subsidiary.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Indenture provides that Lear will not consolidate or merge with or into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, any Person unless:

(1) the Person formed by or surviving any such consolidation or merger (if other than Lear), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, is a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than Lear), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, assumes all our obligations under the exchange notes and the Indenture; and

(3) immediately after such transaction, and giving effect thereto, no Default (as defined in the Indenture) or Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, we may merge with another Person or acquire by purchase or otherwise all or any part of the property or assets of any other corporation or Person in a transaction in which we are the surviving entity.

EVENTS OF DEFAULT

The Indenture provides that the following events will constitute Events of Default with respect to the notes of each series:

- failure to pay principal of any note of such series when due and payable at stated maturity, upon acceleration, redemption or otherwise;
- failure to pay any interest on any note of such series when due, and the

Default continues for 30 days;

- failure to comply with any of our other agreements of the notes of such series or in the Indenture (other than covenants or agreements included in the Indenture solely for the benefit of the other series of notes) and the Default continues for the period of 30 days after either the Trustee or the holders of at least 25% in principal amount of the then outstanding notes of such series have given written notice as provided in the Indenture;
- any Guarantee of the notes of such series ceases to be in full force and effect or any Guarantor denies or disaffirms its obligations under its Guarantee of the notes of such series, except, in each case, in connection with a release of a Guarantee in accordance with the terms of the Indenture;
- the nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other Indebtedness of Lear or its Subsidiaries (the unpaid principal amount of which is not less than \$40 million), which default results in the acceleration of the maturity of such Indebtedness prior to its stated maturity or occurs at the final maturity thereof;
- the entry of any final judgment or orders against Lear or its Subsidiaries in excess of \$40 million individually or in the aggregate (not covered by insurance) that is not paid, discharged or otherwise stayed (by appeal or otherwise) within 60 days after the entry of such judgments or orders; and
- certain events of bankruptcy, insolvency or reorganization of Lear or any Significant Subsidiary.

If an Event of Default with respect to outstanding notes of any series (other than an Event or Default relating to certain events of bankruptcy, insolvency or reorganization, in which case the unpaid principal

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amount of, and any accrued and unpaid interest on, all notes of that series are due and payable immediately) shall occur and be continuing, either the Trustee or the holders of at least 25% in principal amount of the outstanding notes of such series by notice, as provided in the Indenture, may declare the unpaid principal amount of, and any accrued and unpaid interest on, all notes of that series to be due and payable immediately. However, at any time after a declaration of acceleration with respect to notes of such series has been made, but before a judgment or decree based on such acceleration has been obtained, the holders of a majority in principal amount of the outstanding notes of that series may, under certain circumstances, rescind and annul such acceleration. For information as to waiver of defaults, see "Amendment, Supplement and Waiver" below.

The Indenture provides that, subject to the duty of the Trustee during an Event of Default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request or direction of any of the holders, unless such holders shall have offered to the Trustee reasonable security or indemnity. Subject to certain provisions, including those requiring security or indemnification of the Trustee, the holders of a majority in principal amount of the outstanding notes of each series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the notes of such series.

We will be required to furnish to the Trustee under the Indenture annually a statement as to the performance by us of our obligations under the Indenture and as to any default in such performance.

DISCHARGE OF INDENTURE AND DEFEASANCE

We may terminate our obligations under the notes of any series (and the corresponding obligations under the Indenture) when we irrevocably deposit with the Trustee funds or U.S. government obligations in an amount certified to be sufficient (without reinvestment thereof) to pay at maturity all outstanding notes of such series, including all interest thereon (other than destroyed, lost

or stolen notes of such series which have not been replaced or paid), and

(1) all outstanding notes of such series have been delivered (other than destroyed, lost or stolen notes of such series which have not been replaced or paid) to the Trustee for cancellation; or

(2) all outstanding notes of such series have become due and payable (whether at stated maturity, early redemption or otherwise),

and, in either case, we have paid all other sums payable under the Indenture.

In addition, we may terminate substantially all our obligations under the notes of any series (and the corresponding obligations under the Indenture) if we deposit, or cause to be deposited with the Trustee, in trust an amount of cash or U.S. government obligations maturing as to principal and interest in such amounts and at such times as are certified to be sufficient to pay principal of and interest on the then outstanding notes of such series to maturity or redemption, as the case may be, and

(1) such deposit will not result in a breach of, or constitute a Default under, the Indenture;

(2) no Default or Event of Default shall have occurred and be continuing on the date of deposit and no bankruptcy Event of Default or event which with the giving of notice or the lapse of time would become a bankruptcy Event of Default shall have occurred and be continuing on the 91st day after such date;

(3) we deliver to the Trustee an opinion of counsel to the effect that we have received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that the holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of our exercise of such option and shall be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such option had not been exercised; and

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(4) certain other conditions are met.

We shall be released from our obligations with respect to the covenants described under "-- Certain Covenants" and certain other covenants contained in the Indenture and any Event of Default occurring because of a Default with respect to such covenants as they related to any series of notes if we deposit, or cause to be deposited with the Trustee, in trust an amount of cash or U.S. government obligations certified to be sufficient to pay and discharge when due the entire unpaid principal of and interest on all outstanding notes of such series, and

(1) such deposit will not result in a breach of, or constitute a Default under, the Indenture;

(2) no Default or Event of Default shall have occurred and be continuing on the date of deposit and no bankruptcy Event of Default or event which with the giving of notice or the lapse of time would become a bankruptcy Event of Default shall have occurred and be continuing on the 91st day after such date;

(3) we deliver to the Trustee an opinion of counsel to the effect that the holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of our exercise of such option and shall be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such option had not been exercised; and

(4) certain other conditions are met.

Upon satisfaction of such conditions, our obligations under the Indenture with respect to the notes of such series, other than with respect to the covenants and Events of Default referred to above, shall remain in full force and effect.

Notwithstanding the foregoing, no discharge or defeasance described above

shall affect the following obligations to or rights of the holders of the notes of the series subject to such discharge or defeasance: (1) rights of registration of transfer and exchange of notes of such series, (2) rights of substitution of mutilated, defaced, destroyed, lost or stolen notes of such series, (3) rights of holders of notes of such series to receive payments of principal thereof and premium, if any, and interest thereon when due, (4) the rights, obligations, duties and immunities of the Trustee, (5) rights of holders of notes of such series as beneficiaries with respect to property deposited with the Trustee and payable to all or any of them, and (6) our obligations to maintain an office or agency in respect of the notes of such series.

TRANSFER AND EXCHANGE

A holder may transfer or exchange notes in accordance with the Indenture. The Registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar is not required to transfer or exchange any note selected for redemption or any note for a period of 15 days before a selection of notes to be redeemed.

The registered holder of a note may be treated as the owner of it for all purposes.

AMENDMENT, SUPPLEMENT AND WAIVER

Subject to certain exceptions, the terms of the Indenture or the notes may be amended or supplemented by us and the Trustee with the written consent of the holders of at least a majority in principal amount of such then outstanding notes of each series affected thereby by the amendment and any existing Default may be waived with the consent of the holders of at least a majority in principal amount of the then outstanding notes of the series affected thereby. Without the consent of any holder of the notes, we and the Trustee may amend the terms of the Indenture or the notes to cure any ambiguity, defect or inconsistency, to provide for the assumption of our obligations to holders of the notes by a successor corporation, to provide for uncertificated notes in addition to certificated notes, to make any change that does not adversely affect the rights of any holder of the notes in any material respect, to add to our covenants or take any other action for the benefit of the holders of the notes or to comply with any

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requirement of the Securities and Exchange Commission in connection with the qualification of the Indenture under the Trust Indenture Act. Without the consent of each holder of notes of the series affected, we may not:

- reduce the principal amount of notes the holders of which must consent to an amendment, supplement or waiver of any provision of the Indenture;
- reduce the rate or extend the time for payment of interest on any note;
- reduce the principal of or change the stated maturity of any notes;
- change the date on which any note may be subject to redemption, or reduce the redemption price therefor;
- make any note payable in currency other than that stated in the note;
- modify or change any provision of the Indenture affecting the ranking of the notes in a manner which adversely affects the holders thereof;
- impair the right of any holder to institute suit for the enforcement of any payment in or with respect to any note;
- modify or change any provision of any Guarantee in a manner which adversely affects the holders of the notes; or
- make any change in the foregoing amendment provisions which require each holder's consent.

The consent of the holders of notes is not necessary to approve the particular form of any proposed amendment to any Indenture. It is sufficient if any consent approves the substance of the proposed amendment.

REPLACEMENT SECURITIES

Any mutilated certificate representing a note will be replaced by us at the expense of the holder thereof upon surrender of such certificate to the Trustee. Certificates representing notes that become destroyed, stolen or lost will be replaced by us at the expense of the holder upon delivery to us and the Trustee of evidence of any destruction, loss or theft thereof satisfactory to us and the Trustee (provided that neither we nor the Trustee has been notified that such certificate has been acquired by a bona fide purchaser). In the case of a destroyed, lost or stolen certificate representing the note, an indemnity satisfactory to the Trustee and us may be required at the expense of the holder of such note before a replacement certificate will be issued.

GOVERNING LAW

The Indenture, the notes and the Guarantees will be governed by, and will be construed in accordance with the laws of, the State of New York.

REGARDING THE TRUSTEE

The Indenture and provisions of the Trust Indenture Act incorporated by reference therein contain certain limitations on the rights of the Trustee, should it become a creditor of Lear, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim, as security or otherwise. The Trustee and its affiliates may engage in, and will be permitted to continue to engage in, other transactions with us and our affiliates; provided, however, that if it acquires any conflicting interest (as defined in the Trust Indenture Act), it must eliminate such conflict or resign.

The holders of a majority in principal amount of the then outstanding notes of each series will have the right to direct, the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. The Trust Indenture Act and the Indenture provide that in case an Event of Default shall occur (and be continuing), the Trustee will be required, in the exercise of its rights and powers, to use the degree of care and skill of a prudent man in the conduct of his own affairs. Subject to such provision, the Trustee will be under no obligation to exercise any of its rights or powers under the

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Indenture at the request of any of the holders of the notes issued thereunder, unless they have offered to the Trustee indemnity satisfactory to it.

BOOK-ENTRY; DELIVERY AND FORM

Book-Entry System

Lear will initially issue the exchange notes in respect of original notes held in global form in the form of one or more global notes. The global notes will be deposited with, or on behalf of, DTC and registered in the name of DTC or its nominee. Except as set forth below, the global notes may be transferred, in whole but not in part, only to DTC or another nominee of DTC. You may hold your beneficial interests in the global notes directly through DTC if you have an account with DTC or indirectly through organizations which have accounts with DTC.

DTC has advised us that it is:

- (1) a limited purpose trust company organized under the laws of the State of New York,
- (2) a "banking organization" within the meaning of the New York Banking Law,
- (3) a member of the Federal Reserve System,
- (4) a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended, and
- (5) a "clearing agency" registered pursuant to Section 17A of the Exchange Act.

DTC was created to hold securities for its participants (collectively, "Participants") and facilitates the clearance and settlement of securities transactions between Participants through electronic book-entry changes to the accounts of its Participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's Participants include securities brokers and dealers, banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, "Indirect Participants") that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Investors who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants.

We expect that pursuant to procedures established by DTC (1) upon deposit of each global note with DTC, DTC will credit, on its book-entry registration and transfer system, the principal amount of exchange notes represented by such global notes to the accounts of Participants and (2) ownership of the exchange notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of Participants) and the records of Participants and the Indirect Participants (with respect to the interests of persons other than Participants).

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the exchange notes represented by a global note to such persons may be limited. In addition, because DTC can act only on behalf of its Participants, who in turn act on behalf of persons who hold interests through Participants, the ability of a person having an interest in exchange notes represented by a global note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the securities represented by such global note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a global note will not be entitled to have exchange notes represented by such global note registered in their names, will not receive or be entitled to receive physical delivery of certificated exchange notes (except in connection with a transfer to an Institutional Accredited Investor), and will not be considered the owners or holders thereof under the Indenture for any purpose, including with respect to the giving of any

direction, instruction or approval to the Trustee thereunder. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if such holder is not a Participant or an Indirect Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights of a holder of notes under the applicable Indenture or such global note. We understand that under existing industry practice, in the event that the owner of a beneficial interest in a global note desires to give any notice or take any action that DTC, as the holder of such global note, is entitled to give or take, DTC would authorize the Participants to give such notice or take such action and the Participants would authorize holders owning through such Participants to give such notice or take such action or would otherwise act upon the instruction of such holders. Neither we nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments with respect to the principal of, and premium, if any, and interest on, any exchange notes represented by a global note registered in the name of DTC or its nominee on the applicable record date will be payable by the Trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of such global note representing such exchange notes under the Indenture. Under the terms of the Indenture, we and the Trustee may treat the persons in whose names the exchange notes, including the global notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither we nor the Trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a global note (including principal,

premium, if any, and interest). Payments by Participants and Indirect Participants to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of such Participants or Indirect Participants and DTC.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same day funds.

Although DTC has agreed to the foregoing procedures to facilitate transfers of interests in the global notes among Participants of DTC, it is under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the Trustee will have any responsibility for the performance by DTC or its Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

DTC and Year 2000 Problems. DTC's management is aware that some computer applications, systems, and the like for processing data ("Systems") that are dependent upon calendar dates, including dates before, on and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed Participants and other members of the financial community that it has developed and is implementing a program so that its Systems, as the same relate to the timely payment of distributions (including principal and income payments) to securityholders, book-entry deliveries, and settlement of trades within DTC ("DTC Services"), continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames. However, DTC's ability to perform its services properly is also dependent upon other parties, including but not limited to issuers and their agents, as well as third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others. DTC has informed the financial community that it is contacting, and will continue to contact, third party vendors from whom DTC acquires services to impress upon them the importance of such services being Year 2000 compliant, and to determine the extent of their efforts for Year 2000 remediation and, as appropriate, testing of their services. In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

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Certificated Exchange Notes

Upon the occurrence of any of the following:

- we notify the Trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as clearing agency under the Securities Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation,
- we, at our option, notify the Trustee in writing that we elect to cause the issuance of the applicable notes in definitive form under the Indenture or
- certain other events as provided in the Indenture,

then, upon surrender by DTC of such global note, certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by such global note. Upon any such issuance, the Trustee is required to register such certificated notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither we nor the Trustee shall be liable for any delay by DTC or any Participant or Indirect Participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts,

of the notes to be issued).

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UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain United States federal income tax consequences associated with the exchange of the original securities for the exchange securities pursuant to the exchange offer and the ownership and disposition of the exchange securities. This summary applies only to a holder of an exchange security who acquired an original security from an Initial Purchaser and who acquires the exchange security pursuant to the exchange offer. This discussion is based on provisions of the Internal Revenue Code of 1986 ("Code"), Treasury regulations promulgated thereunder, and administrative and judicial interpretations of the foregoing, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion does not address tax consequences (1) of the purchase, ownership, or disposition (other than pursuant to the exchange offer) of the original securities to any holder of the original securities, or (2) of the purchase, ownership, or disposition of the exchange securities to subsequent purchasers of the exchange securities, and is limited to investors who hold the original securities and the exchange securities as capital assets. The tax treatment of the holders of the securities may vary depending upon their particular situations. In addition, certain holders (including insurance companies, tax exempt organizations, financial institutions, broker-dealers, and Non-U.S. Holders (as defined below) that are engaged in a trade or business in the United States or that have ceased to be United States citizens or to be taxed as resident aliens) may be subject to special rules not discussed below. EACH HOLDER SHOULD CONSULT ITS TAX ADVISOR REGARDING THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE EXCHANGE OF THE ORIGINAL SECURITIES FOR THE EXCHANGE SECURITIES PURSUANT TO THE EXCHANGE OFFER AND THE OWNERSHIP DISPOSITION OF THE SECURITIES, AS WELL AS ANY ESTATE TAX CONSEQUENCES AND ANY TAX CONSEQUENCES THAT MAY ARISE UNDER THE LAWS OF ANY RELEVANT FOREIGN, STATE, LOCAL, OR OTHER TAXING JURISDICTION.

UNITED STATES HOLDERS

As used herein, the term "United States Holder" means a holder of an exchange security that is, for United States federal income tax purposes, (1) a citizen or resident of the United States, (2) a corporation or other entity treated as a corporation, created or organized in or under the laws of the United States or of any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source, (4) a trust if (a) a United States court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (b) the trust was in existence on August 20, 1996, was treated as a United States person prior to that date, and elected to continue to be treated as a United States person, and (5) a partnership, or other entity treated as a partnership, created or organized in or under the laws of the United States or of any political subdivision thereof, except as Treasury regulations may otherwise provide.

Exchange Offer

The exchange of an original security for an exchange security pursuant to the exchange offer will not constitute a "significant modification" of the original security for United States federal income tax purposes and, accordingly, the exchange security received will be treated as a continuation of the original security in the hands of the holder. As a result, there will be no United States federal income tax consequences to a United States Holder who exchanges an original security for an exchange security pursuant to the exchange offer and any such holder will have the same adjusted tax basis and holding period in the exchange security as that holder had in the original security immediately before the exchange.

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Payment of Interest

Interest payable on a exchange security generally will be included in the gross income of a United States Holder as ordinary interest income at the time

accrued or received, in accordance with such United States Holder's method of accounting for United States federal income tax purposes.

Disposition of the Exchange Securities

Upon the sale, exchange, retirement at maturity, or other taxable disposition of an exchange security (collectively, a "disposition"), a United States Holder generally will recognize capital gain or loss equal to the difference between the amount realized by such holder (except to the extent such amount is attributable to accrued interest, which will be treated as ordinary interest income) and such holder's adjusted tax basis in the exchange security. Such capital gain or loss will be long-term capital gain or loss if such United States Holder's holding period for the exchange security exceeds one year at the time of the disposition.

Backup Withholding and Information Reporting

Backup withholding tax at a rate of 31%, and information reporting requirements, will apply in certain circumstances to interest and principal payments on, and proceeds from the disposition of, an exchange security held by a United States Holder other than a corporation. Backup withholding will apply to such a United States Holder in the event of a failure by that United States Holder to furnish his, her or its correct taxpayer identification number to the relevant payor or otherwise to comply with, or to establish an exemption from, the backup withholding requirements. Corporate United States Holders generally will be exempt from information reporting and backup withholding requirements, but may be required to certify their status on a Form W-9 in order to secure that exemption.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a United States Holder under the backup withholding rules will be allowed as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the United States Internal Revenue Service.

Under current Treasury Regulations, payments on the sale, exchange, or other disposition of an exchange security made to or through a foreign office of a foreign broker generally will not be subject to backup withholding or information reporting. However, if such broker is, for United States federal income tax purposes, a United States person, a controlled foreign corporation, a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period or (in the case of payments made after December 31, 2000) a foreign partnership with certain connections to the United States, then information reporting will be required unless the broker has in its records documentary evidence that the beneficial owner is not a United States person and certain other conditions are met or the beneficial owner otherwise establishes an exemption. Backup withholding may apply to any payment that such broker is required to report if the broker has actual knowledge that the payee is a United States person. Payments to or through the United States office of a broker will be subject to backup withholding and information reporting unless the holder certifies, under penalties of perjury, that it is not a United States person or otherwise establishes an exemption.

NON-UNITED STATES HOLDERS

As used herein, the term "Non-U.S. Holder" means any beneficial owner of an exchange security that is not a United States Holder.

Exchange Offer

The exchange of an original security for an exchange security pursuant to the exchange offer will not constitute a "significant modification" of the original security for United States federal income tax purposes and, accordingly, the exchange security received will be treated as a continuation of the original

security in the hands of the holder. As a result, there will be no United States federal income tax consequences to a Non-U.S. Holder who exchanges an original security for an exchange security pursuant to the exchange offer and any such holder will have the same adjusted tax basis and holding period in the exchange

security as that holder had in the original security immediately before the exchange.

Payment of Interest

Subject to the discussion below concerning backup withholding, payment of interest on the exchange securities to any Non-U.S. Holder will not be subject to United States federal withholding tax, provided that (1) such holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of stock of Lear entitled to vote, is not a controlled foreign corporation related, directly or indirectly, to Lear through stock ownership, and is not a bank receiving interest described in Section 881(c)(3)(a) of the Code and (2) the requirement to certify such holder's non-U.S. status, as set forth in Section 871(h) or Section 881(c) of the Code, has been fulfilled with respect to the beneficial owner.

Disposition of the Exchange Securities

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder of an exchange security will not be subject to United States federal income tax on gain realized on the sale, exchange, or other disposition of that exchange security, unless (1) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, or (2) the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States.

Backup Withholding and Information Reporting

Under current United States federal income tax law, backup withholding at a rate of 31% will not apply to payments by Lear or any paying agent thereof on an exchange security if the certifications required by Sections 871(h) and 881(c) of the Code are received, provided in each case that Lear or such paying agent, as the case may be, does not have actual knowledge that the payee is a United States person.

Under current Treasury Regulations, payments on the sale, exchange, or other disposition of an exchange security made to or through a foreign office of a foreign broker generally will not be subject to backup withholding or information reporting. However, if such broker is, for United States federal income tax purposes, a United States person, a controlled foreign corporation, a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, or (in the case of payments made after December 31, 2000) a foreign partnership with certain connections to the United States, then information reporting will be required unless the broker has in its records documentary evidence that the beneficial owner is not a United States person and certain other conditions are met or the beneficial owner otherwise establishes an exemption. Backup withholding may apply to any payment that such broker is required to report if the broker has actual knowledge that the payee is a United States person. Payments to or through the United States office of a broker will be subject to backup withholding and information reporting unless the holder certifies, under penalties of perjury, that it is not a United States person or otherwise establishes an exemption. Recently enacted Treasury Regulations, effective for payments after December 31, 2000, provide certain presumptions under which Non-U.S. Holders will be subject to backup withholding or information reporting unless such holder certifies its non-U.S. status.

Non-U.S. Holders of exchange securities should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available. Any amounts withheld from a payment to a Non-U.S. Holder under the backup withholding rules will be allowed as a credit against that holder's United States federal income tax liability and may entitle that holder to a refund, provided that the required information is furnished to the United States Internal Revenue Service.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange securities for its own account pursuant to the exchange offer must acknowledge that it will deliver a

prospectus in connection with any resale of such exchange securities. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange securities received in exchange for original securities where such original securities were acquired as a result of market-making activities or other trading activities. Lear has agreed that, for a period of 90 days after the expiration date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

Lear will not receive any proceeds from any sale of exchange securities by broker-dealers. Exchange securities received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange securities, or through a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices, or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange securities. Any broker-dealer that resells exchange securities that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such exchange securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of exchange securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

Lear has agreed, for a period of 90 days after the expiration date to promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. Lear has also agreed to pay all expenses incident to the exchange offer and will indemnify the holders of the securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act to the extent they arise out of or are based upon (1) any untrue statement or alleged untrue statement of a material fact contained in the registration statement or prospectus or (2) an omission or alleged omission to state in the registration statement or the prospectus a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnification obligation does not extend to statements or omissions in the registration statement or prospectus made in reliance upon and in conformity with written information pertaining to the holder that is furnished to Lear by or on behalf of the holder.

LEGAL MATTERS

Certain legal matters relating to the exchange securities offered hereby will be passed upon for Lear by Winston & Strawn, New York, New York.

EXPERTS

The audited financial statements and schedule of Lear included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The audited historical financial statements of UT Automotive, Inc., formerly a wholly-owned operating segment of United Technologies Corporation, as of December 31, 1998 and 1997 and for each of

the three years in the period ended December 31, 1998, incorporated in this prospectus by reference to Lear's Current Report on Form 8-K dated May 4, 1999, have been so incorporated in reliance on the report on PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of the Seating Business formerly of the Delphi

Interior Systems Division of Delphi Automotive Systems Corporation as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, incorporated by reference in this prospectus from Lear's Current Report on Form 8-K/A dated September 1, 1998 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Lear Corporation:

We have audited the accompanying consolidated balance sheets of LEAR CORPORATION AND SUBSIDIARIES ("the Company") as of December 31, 1998 and 1997, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1998 and 1997, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Detroit, Michigan,
January 29, 1999 (except with respect to the matters discussed
in Note 18, as to which the date is May 18, 1999).

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LEAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
	1998	1997
	----	----
	(IN MILLIONS, EXCEPT SHARE DATA)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 30.0	\$ 12.9
Accounts receivable, net of reserves of \$16.0 in 1998 and \$14.7 in 1997.....	1,373.9	1,065.8
Inventories.....	349.6	231.4
Recoverable customer engineering and tooling.....	221.4	152.6
Other.....	223.1	152.2
	-----	-----
Total current assets.....	2,198.0	1,614.9
	-----	-----
LONG-TERM ASSETS:		
Property, plant and equipment, net.....	1,182.3	939.1
Goodwill, net.....	2,019.8	1,692.3
Other.....	277.2	212.8
	-----	-----
Total long-term assets.....	3,479.3	2,844.2
	-----	-----
	\$5,677.3	\$4,459.1
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings.....	\$ 82.7	\$ 37.9
Accounts payable and drafts.....	1,600.8	1,186.5
Accrued liabilities.....	797.5	620.5
Current portion of long-term debt.....	16.5	9.1
	-----	-----
Total current liabilities.....	2,497.5	1,854.0
	-----	-----
LONG-TERM LIABILITIES:		
Deferred national income taxes.....	39.0	61.7
Long-term debt.....	1,463.4	1,063.1
Other.....	377.4	273.3
	-----	-----
Total long-term liabilities.....	1,879.8	1,398.1
	-----	-----
STOCKHOLDERS' EQUITY:		
Common Stock, par value \$.01 per share, 150,000,000 shares authorized and 67,194,314 and 66,872,188 shares issued at December 31, 1998 and 1997, respectively.....	.7	.7
Additional paid-in capital.....	859.3	851.9
Notes receivable from sale of common stock.....	(.1)	(.1)
Common stock held in treasury, 510,230 and 10,230 shares at December 31, 1998 and 1997, respectively, at cost...	(18.3)	(.1)
Retained earnings.....	504.7	401.3
Accumulated other comprehensive income.....	(46.3)	(46.7)
	-----	-----

Total stockholders' equity.....	1,300.0	1,207.0
	-----	-----
	\$5,677.3	\$4,459.1
	=====	=====

The accompanying notes are an integral part of these consolidated statements.

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LEAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	FOR THE YEAR ENDED DECEMBER 31,		
	1998	1997	1996
	----	----	----
	(IN MILLIONS, EXCEPT PER SHARE DATA)		
Net sales.....	\$9,059.4	\$7,342.9	\$6,249.1
Cost of sales.....	8,198.0	6,533.5	5,629.4
Selling, general and administrative expenses.....	337.0	286.9	210.3
Restructuring and other charges.....	133.0	--	--
Amortization of goodwill.....	49.2	41.4	33.6
	-----	-----	-----
Operating income.....	342.2	481.1	375.8
Interest expense.....	110.5	101.0	102.8
Other expense, net.....	16.9	34.3	19.6
	-----	-----	-----
Income before provision for national income taxes, minority interests in consolidated subsidiaries, equity in net income of affiliates and extraordinary item....	214.8	345.8	253.4
Provision for national income taxes.....	93.9	143.1	101.5
Minority interests in consolidated subsidiaries.....	6.9	3.3	4.0
Equity in net income of affiliates.....	(1.5)	(8.8)	(4.0)
	-----	-----	-----
Income before extraordinary item.....	115.5	208.2	151.9
Extraordinary loss on early extinguishment of debt.....	--	(1.0)	--
	-----	-----	-----
Net income.....	\$ 115.5	\$ 207.2	\$ 151.9
	=====	=====	=====
Basic net income per share:			
Income before extraordinary item.....	\$1.73	\$3.14	\$2.51
Extraordinary loss.....	--	(.01)	--
	-----	-----	-----
Basic net income per share.....	\$1.73	\$3.13	\$2.51
	=====	=====	=====
Diluted net income per share:			
Income before extraordinary item.....	\$1.70	\$3.05	\$2.38
Extraordinary loss.....	--	(.01)	--
	-----	-----	-----
Diluted net income per share.....	\$1.70	\$3.04	\$2.38
	=====	=====	=====

The accompanying notes are an integral part of these consolidated statements.

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LEAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	DECEMBER 31,		
	1998	1997	1996
	----	----	----
	(IN MILLIONS, EXCEPT SHARE DATA)		

COMMON STOCK

Balance at beginning of period.....	\$.7	\$.7	\$.6
Sale of common stock (Note 5).....	--	--	.1
	-----	-----	-----
Balance at end of period.....	\$.7	\$.7	\$.7
	=====	=====	=====

ADDITIONAL PAID-IN CAPITAL

Balance at beginning of period.....	\$ 851.9	\$ 834.5	\$ 559.1
Sale of common stock (Note 5).....	--	--	242.7
Stock options exercised.....	3.4	8.4	6.7
Stock options cancelled.....	--	(5.8)	--
Tax benefit of stock options exercised.....	4.0	14.8	17.0
Conversion of Masland stock options.....	--	--	9.0
	-----	-----	-----
Balance at end of period.....	\$ 859.3	\$ 851.9	\$ 834.5
	=====	=====	=====

NOTES RECEIVABLE FROM SALE OF COMMON STOCK

Balance at beginning of period.....	\$ (.1)	\$ (.6)	\$ (.9)
Repayment of stockholders' notes receivable.....	--	.5	.3
	-----	-----	-----
Balance at end of period.....	\$ (.1)	\$ (.1)	\$ (.6)
	=====	=====	=====

TREASURY STOCK

Balance at beginning of period.....	\$ (.1)	\$ (.1)	\$ (.1)
Purchases, 500,000 shares at an average price of \$36.50 per share.....	(18.2)	--	--
	-----	-----	-----
Balance at end of period.....	\$ (18.3)	\$ (.1)	\$ (.1)
	=====	=====	=====

RETAINED EARNINGS

Balance at beginning of period.....	\$ 401.3	\$ 194.1	\$ 42.2
Net income.....	115.5	207.2	151.9
Net loss from change in consolidation policy (Note 1).....	(12.1)	--	--
	-----	-----	-----
Balance at end of period.....	\$ 504.7	\$ 401.3	\$ 194.1
	=====	=====	=====

ACCUMULATED OTHER COMPREHENSIVE INCOME

Minimum Pension Liability			
Balance at beginning of period.....	\$ (.5)	\$ (1.0)	\$ (3.5)
Minimum pension liability adjustment.....	(11.3)	.5	2.5
	-----	-----	-----
Balance at end of period.....	\$ (11.8)	\$ (.5)	\$ (1.0)
	=====	=====	=====

CUMULATIVE TRANSLATION ADJUSTMENTS

Balance at beginning of period.....	\$ (46.2)	\$ (8.9)	\$ (17.4)
Cumulative translation adjustments.....	11.7	(37.3)	8.5
	-----	-----	-----
Balance at end of period.....	\$ (34.5)	\$ (46.2)	\$ (8.9)
	-----	-----	-----
Accumulated other comprehensive income.....	\$ (46.3)	\$ (46.7)	\$ (9.9)
	-----	-----	-----
TOTAL STOCKHOLDERS' EQUITY.....	\$1,300.0	\$1,207.0	\$1,018.7
	=====	=====	=====

COMPREHENSIVE INCOME

Net income.....	\$ 115.5	\$ 207.2	\$ 151.9
Net loss from change in consolidation policy, including tax of \$1.2 (Note 1).....	(12.1)	--	--
Minimum pension liability adjustment, net of tax of \$6.1, \$(.2) and \$(1.3) in 1998, 1997 and 1996, respectively....	(11.3)	.5	2.5
Cumulative translation adjustments.....	11.7	(37.3)	8.5
	-----	-----	-----
Comprehensive income.....	\$ 103.8	\$ 170.4	\$ 162.9
	=====	=====	=====

The accompanying notes are an integral part of these consolidated statements.

FOR THE YEAR ENDED DECEMBER 31,

1998	1997	1996
----	----	----

(IN MILLIONS)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income.....	\$ 115.5	\$ 207.2	\$ 151.9
Adjustments to reconcile net income to net cash provided by operating activities --			
Depreciation and amortization of goodwill.....	219.7	184.4	142.3
Postretirement benefits accrued, net.....	15.3	8.5	6.9
Loss on long-lived assets.....	33.2	--	--
Net loss from change in consolidation policy (Note 1).....	(12.1)	--	--
Recoverable customer engineering and tooling, net.....	(119.1)	(48.4)	(35.3)
Extraordinary loss.....	--	1.0	--
Other, net.....	(28.9)	(3.7)	(19.1)
Net change in working capital items.....	61.8	100.4	215.9
	-----	-----	-----
Net cash provided by operating activities.....	285.4	449.4	462.6
	-----	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES:

Additions to property, plant and equipment.....	(351.4)	(187.9)	(153.8)
Acquisitions.....	(328.2)	(332.2)	(529.0)
Other, net.....	1.8	.4	1.1
	-----	-----	-----
Net cash used in investing activities.....	(677.8)	(519.7)	(681.7)
	-----	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Long-term revolving credit borrowings, net (Note 9).....	317.0	136.9	(211.3)
Other long-term debt borrowings, net.....	58.3	(133.0)	203.6
Short-term borrowings, net.....	43.2	24.2	(7.5)
Proceeds from sale of common stock, net.....	3.4	8.4	249.5
Purchase of treasury stock, net.....	(18.2)	--	--
Increase (decrease) in drafts.....	(19.9)	2.2	(29.5)
Other, net.....	--	.3	(3.2)
	-----	-----	-----
Net cash provided by financing activities.....	383.8	39.0	201.6
	-----	-----	-----

Effect of foreign currency translation.....	25.7	18.2	9.4
	-----	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	17.1	(13.1)	(8.1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	12.9	26.0	34.1
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 30.0	\$ 12.9	\$ 26.0
	=====	=====	=====

CHANGES IN WORKING CAPITAL, NET OF EFFECTS OF ACQUISITIONS:

Accounts receivable, net.....	\$ (218.6)	\$ (72.7)	\$ 42.5
Inventories.....	(59.9)	(10.3)	30.9
Accounts payable.....	322.1	150.4	52.7
Accrued liabilities and other.....	18.2	33.0	89.8
	-----	-----	-----
Net change in working capital items.....	\$ 61.8	\$ 100.4	\$ 215.9
	=====	=====	=====

SUPPLEMENTARY DISCLOSURE:

Cash paid for interest.....	\$ 109.0	\$ 109.3	\$ 97.0
	=====	=====	=====
Cash paid for income taxes.....	\$119.9	\$ 91.9	\$ 74.3
	=====	=====	=====

The accompanying notes are an integral part of these consolidated statements.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Lear Corporation, a Delaware corporation ("Lear"), and its wholly-owned and majority-owned subsidiaries (collectively, the "Company"). Investments in less than majority-owned businesses are generally accounted for under the equity method (Note 7).

The Company and its affiliates are involved in the design and manufacture of interior systems and components for automobiles and light trucks. The Company's main customers are automotive original equipment manufacturers. The Company operates facilities worldwide (Note 14). Effective December 31, 1998, certain international operating facilities, which had previously been included in the consolidated financial statements based on fiscal years ending November 30, are now included in the consolidated financial statements based on fiscal years ending December 31. Net sales at these international facilities for December 1998 were \$339.9 million, and the December 1998 net loss from these international facilities was charged to retained earnings.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. Inventories are comprised of the following (in millions):

	DECEMBER 31,	
	1998	1997
	----	----
Raw materials.....	\$253.9	\$165.7
Work-in-process.....	23.8	22.5
Finished goods.....	71.9	43.2
	-----	-----
Inventories.....	\$349.6	\$231.4
	=====	=====

Recoverable Customer Engineering and Tooling

Costs incurred for certain engineering and tooling projects for which the Company will receive customer recovery are capitalized and classified as either recoverable customer engineering and tooling or other long-term assets, dependent upon when recovery is anticipated. Provisions for losses are provided at the time the Company anticipates engineering and tooling costs will exceed anticipated customer recovery.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciable property is depreciated over the estimated useful lives of the assets, using principally the straight-line method as follows:

Buildings and improvements.....	20 to 25 years
Machinery and equipment.....	5 to 15 years

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

A summary of property, plant and equipment is shown below (in millions):

	DECEMBER 31,	
	1998	1997
	----	----
Land.....	\$ 70.6	\$ 60.5
Buildings and improvements.....	429.6	345.9

Machinery and equipment.....	1,197.8	919.4
Construction in progress.....	78.4	54.8
	-----	-----
Total property, plant and equipment.....	1,776.4	1,380.6
Less -- accumulated depreciation.....	(594.1)	(441.5)
	-----	-----
Net property, plant and equipment.....	\$1,182.3	\$ 939.1
	=====	=====

Goodwill

Goodwill is amortized on a straight-line basis over 40 years. Accumulated amortization of goodwill amounted to \$206.3 million and \$156.9 million at December 31, 1998 and 1997, respectively.

Long Term Assets

The Company complies with Statement of Financial Accounting Standards ("SFAS") No. 121, "Recognition of Impairment of Long-Lived Assets." In accordance with this statement, the Company reevaluates the carrying values of its long-term assets whenever circumstances arise which call into question the recoverability of such carrying values. The evaluation takes into account all future estimated cash flows from the use of assets, with an impairment being recognized if the evaluation indicates that the future cash flows will not be greater than the carrying value. An impairment charge of \$33.2 million was recognized in 1998 in connection with the restructuring (Note 3).

Research and Development

Costs incurred in connection with the development of new products and manufacturing methods to the extent not recoverable from the Company's customers are charged to selling, general and administrative expenses as incurred. These costs amounted to \$116.6 million, \$90.4 million and \$70.0 million for the years ended December 31, 1998, 1997 and 1996, respectively.

Foreign Currency Translation

With the exception of foreign subsidiaries operating in highly inflationary economies, which are measured in U.S. dollars, assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the exchange rates in effect at the end of the period. Revenues and expenses of foreign subsidiaries are translated using an average of exchange rates in effect during the period. Translation adjustments that arise from translating a foreign subsidiary's financial statements from the functional currency to U.S. dollars are reflected in accumulated other comprehensive income in the consolidated balance sheets.

Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, except those transactions which operate as a hedge of a foreign currency investment position, are included in the results of operations as incurred.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported

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amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Generally, assets and liabilities subject to estimation and judgment include amounts related to unsettled pricing discussions with customers and suppliers, pension and other postretirement costs (Note 11), plant consolidation and reorganization reserves (Note 3), self-insurance accruals, asset valuation reserves and accruals related to litigation and environmental remediation costs. Management does not believe that the ultimate settlement of any such assets or liabilities will materially affect the Company's financial position or future results of operations.

Net Income Per Share

Basic net income per share is computed using the weighted average common shares outstanding during the period. Diluted net income per share is computed using the average share price during the period when calculating the dilutive effect of stock options. Shares outstanding were as follows:

	FOR THE YEAR ENDED DECEMBER 31,		
	1998	1997	1996
	----	----	----
Weighted average common shares			
outstanding.....	66,947,135	66,304,770	60,485,696
Dilutive effect of stock options.....	1,076,240	1,943,313	3,275,938
	-----	-----	-----
Diluted shares outstanding.....	68,023,375	68,248,083	63,761,634
	=====	=====	=====

Comprehensive Income

During 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which establishes standards for the reporting and display of comprehensive income. Comprehensive income is defined as all changes in a Company's net assets except changes resulting from transactions with shareholders. It differs from net income in that certain items currently recorded to equity are included in comprehensive income. Prior years have been restated to conform to the requirements of SFAS No. 130.

Reclassifications

Certain items in prior years' financial statements have been reclassified to conform with the presentation used in the year ended December 31, 1998.

(3) RESTRUCTURING AND OTHER CHARGES

In the fourth quarter of 1998, the Company began to implement a restructuring plan designed to lower its cost structure and improve the long-term competitive position of the Company. As a result of this restructuring plan, the Company recorded pre-tax charges of \$133.0 million, consisting of \$110.5 million of restructuring charges and \$22.5 million of other charges. Included in this total are the costs to consolidate the Company's European operations of \$78.9 million, charges resulting from the consolidation of certain manufacturing and administrative operations in North and South America of \$31.6 million, other asset impairment charges of \$15.0 million and contract termination fees and other of \$7.5 million.

The majority of the European countries in which the Company operates have statutory requirements with regards to the minimum severance payments that must be made to employees upon termination. The Company has accrued \$37.7 million of severance costs for approximately 210 salaried and 1,040 hourly employees under SFAS No. 112, "Employers' Accounting for Postemployment Benefits," at December 31, 1998, as the Company anticipates this is the minimum aggregate severance payments that will be made in accordance with these statutory requirements. The Company has also accrued \$5.5 million for separation pay for approximately 450 employees at European locations where the individuals have been notified of their planned termination. The European consolidation has also resulted in lease cancellation costs with a

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net present value of \$22.1 million and asset impairment charges of \$11.7 million. The amount of asset impairment represents the excess of the carrying value of the abandoned assets over their respective net realizable value less disposal costs. Other costs incurred to consolidate these facilities amount to \$1.9 million, consisting mainly of government grant repayments. The Company anticipates incurring the majority of these costs in 1999 with the exception of

the lease cancellation costs, for which payments extend out for up to 9 years.

In addition, the Company is eliminating two manufacturing facilities in North America and one in South America. Management feels that these consolidations better position the Company in terms of capacity, location and utilization in the future. The charge consists of severance of \$5.2 million for approximately 250 employees notified prior to December 31, 1998, a \$6.5 million write-down of assets to their net realizable value less disposal costs, lease cancellation costs of \$4.5 million and other costs to close the facilities of \$.4 million. The write-down of fixed assets has been recorded in 1998, while the payments related to the other costs are anticipated to take place in 1999. Lear also implemented a plan to consolidate certain administrative functions and to reduce the U.S. salaried workforce. As of December 31, 1998, approximately 850 salaried employees were notified that their positions were being eliminated and were presented with the severance packages that they will receive upon their departure from the Company. As a result, the Company recorded a charge of \$15.0 million to cover severance pay and benefits offered to these employees, \$5.1 million of which had been paid as of December 31, 1998.

The Company has reevaluated the carrying value of its long-lived assets as a result of changes in the economic condition of certain countries in which the Company operates and the consolidation of specific operations in North and South America. The carrying values of these assets were determined to be impaired as the separately identifiable, anticipated, undiscounted future cash flows from such assets were less than their respective carrying values. The resulting charge of \$15.0 million represents the excess of the carrying values of such assets over future discounted cash flows.

The costs of contract terminations and other are comprised primarily of a contract termination penalty related to a sales representation contract. The following table summarizes the restructuring and other charges (in millions):

	ORIGINAL ACCRUAL	UTILIZED		BALANCE AT DECEMBER 31, 1998
		CASH	NONCASH	
European Operations Consolidation.....	\$ 78.9	\$3.4	\$11.7	\$63.8
North and South America Operations				
Consolidation.....	31.6	5.1	6.5	20.0
Write-Down of Long-Lived Assets.....	15.0	--	15.0	--
Contract Termination and Other.....	7.5	--	--	7.5
	-----	----	----	-----
Total.....	\$133.0	\$8.5	\$33.2	\$91.3
	=====	=====	=====	=====

(4) ACQUISITIONS

1998 ACQUISITIONS

Delphi Seating Systems

In September 1998, the Company purchased the seating business of Delphi Automotive Systems, a division of General Motors Corporation ("Delphi Seating"). Delphi Seating was a leading supplier of seat systems to General Motors with sixteen facilities located throughout ten countries. The aggregate purchase price for the acquisition of Delphi Seating (the "Delphi Acquisition") was \$246.6 million. Funds for the Delphi Acquisition were provided by borrowings under the Credit Agreement (Note 9).

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The Delphi Acquisition was accounted for as a purchase, and accordingly, the assets purchased and liabilities assumed have been reflected in the accompanying consolidated balance sheet as of December 31, 1998. The operating results of Delphi Seating have been included in the consolidated financial statements of the Company since the date of acquisition. The purchase price and related allocation were as follows (in millions):

Consideration paid to former owner, net of cash acquired of \$6.0 million.....	\$212.9
Deferred purchase price.....	30.0
Debt assumed.....	.5
Estimated fees and expenses.....	3.2

Cost of acquisition.....	\$246.6
	=====
Property, plant and equipment.....	\$ 50.8
Net working capital.....	15.1
Other assets purchased and liabilities assumed, net.....	(15.6)
Goodwill.....	196.3

Total cost allocation.....	\$246.6
	=====

The purchase price and related allocation may be revised up to one year from the date of acquisition based on the outcome of final negotiations with the former owner and revisions of preliminary estimates of fair values made at the date of purchase.

The following pro forma unaudited financial data is presented to illustrate the estimated effects of the Delphi Acquisition as if this transaction had occurred as of the beginning of each year presented (in millions, except per share data).

	FOR THE YEAR ENDED DECEMBER 31,	
	1998	1997
	PRO FORMA	PRO FORMA
	-----	-----
Net sales.....	\$9,728.4	\$8,411.1
Income before extraordinary item.....	97.8	164.6
Net income.....	97.8	163.6
Diluted income per share before extraordinary item.....	1.44	2.41
Diluted net income per share.....	1.44	2.40

Other 1998 Acquisitions

In May 1998, the Company acquired, in separate transactions, Gruppo Pianfei S.r.L. ("Pianfei"), Strapazzini Resine S.r.L. ("Strapazzini") and the A.W. Chapman Ltd. and A.W. Chapman Belgium NV subsidiaries of the Rodd Group Limited ("Chapman"). Each of the acquired companies was a supplier of automotive interiors to the European automotive market. These acquisitions were accounted for as purchases, and accordingly, the assets purchased and liabilities assumed have been reflected in the accompanying consolidated balance sheet as of December 31, 1998. The operating results of these acquired companies have been included in the consolidated financial statements of the Company since the date of each acquisition. The aggregate cash paid for these acquisitions was \$115.3 million, with funds provided by borrowings under the Credit Agreement (Note 9). The pro forma effects of these acquisitions would not be materially different from reported results.

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1997 ACQUISITIONS

In August 1997, the Company acquired the Seat Sub-Systems Unit of ITT Automotive, a division of ITT Industries ("ITT Seat Sub-Systems"). ITT Seat Sub-Systems was a North American supplier of power seat adjusters and power

recliners.

In July 1997, the Company acquired certain equity and partnership interests in Keiper Car Seating GmbH & Co. and certain of its subsidiaries and affiliates (collectively, "Keiper Seating") for approximately \$252.5 million. Keiper Seating was a leading supplier of automotive vehicle seat systems with operations in Germany, Italy, Hungary, Brazil and South Africa.

As part of the Keiper Seating acquisition, the Company acquired a 25% ownership interest in Euro American Seating Corporation ("EAS"). On December 12, 1997, the Company acquired the remaining 75% of EAS. EAS was a supplier of automotive seat systems to original equipment manufacturers.

In June 1997, the Company acquired all of the outstanding shares of common stock of Dunlop Cox Limited ("Dunlop Cox"). Dunlop Cox, based in Nottingham, England, provided Lear with the ability to design and manufacture manual and electronically-powered automotive seat adjusters.

The ITT Seat Sub-Systems, Keiper Seating and Dunlop Cox acquisitions (collectively, the "1997 Acquisitions") were accounted for as purchases, and accordingly, the assets purchased and liabilities assumed in the acquisitions have been reflected in the accompanying consolidated balance sheets. The operating results of the 1997 Acquisitions have been included in the consolidated financial statements of the Company since the date of each acquisition. Funds for the 1997 Acquisitions were provided by borrowings under the Company's then existing credit agreements. The aggregate purchase price of the 1997 Acquisitions and final allocation, which were not materially different than preliminary estimates, were as follows (in millions):

Consideration paid to former owners, net of cash acquired of \$9.2 million.....	\$332.2
Deferred purchase price.....	28.1
Debt assumed.....	4.4
Estimated fees and expenses.....	3.5

Cost of acquisition.....	\$368.2
	=====
Property, plant and equipment.....	\$ 85.0
Net working capital.....	12.5
Other assets purchased and liabilities assumed, net.....	(4.9)
Goodwill.....	275.6

Total cost allocation.....	\$368.2
	=====

The pro forma effects of these acquisitions would not be materially different from reported results.

1996 ACQUISITIONS

Borealis Industrier, AB

In December 1996, the Company acquired all of the issued and outstanding capital stock of Borealis Industrier, AB ("Borealis") for an aggregate purchase price of \$91.1 million (including the assumption of \$18.8 million of Borealis existing net indebtedness and \$1.5 million of fees and expenses). Borealis was a supplier of instrument panels and other interior components to the European automotive market. The Borealis acquisition was accounted for as a purchase, and accordingly, the assets purchased and liabilities assumed have been reflected in the accompanying consolidated balance sheets. The operating results of

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Borealis have been included in the consolidated financial statements of the Company since the date of acquisition.

In June 1996, the Company, through a wholly-owned subsidiary ("PA Acquisition Corp."), acquired 97% of the issued and outstanding shares of common stock of Masland Corporation ("Masland") pursuant to an offer to purchase which was commenced on May 30, 1996. On July 1, 1996, the remaining issued and outstanding shares of common stock of Masland were acquired and PA Acquisition Corp. merged with and into Masland, such that Masland became a wholly-owned subsidiary of the Company. The aggregate purchase price for the acquisition of Masland (the "Masland Acquisition") was \$473.8 million (including the assumption of \$80.7 million of Masland's existing net indebtedness and \$8.1 million in fees and expenses). Funds for the Masland Acquisition were provided by borrowings under the Company's then existing credit agreements.

Masland was a leading supplier of flooring and acoustic systems to the North American automotive market. Masland also was a major supplier of interior luggage compartment trim components and other acoustical products which are designed to minimize noise, vibration and harshness for passenger cars and light trucks.

The Masland Acquisition was accounted for as a purchase, and accordingly, the assets purchased and liabilities assumed in the acquisition have been reflected in the accompanying consolidated balance sheets. The operating results of Masland have been included in the consolidated financial statements of the Company since the date of acquisition. The purchase price and final allocation, which were not materially different than preliminary estimates, were as follows (in millions):

Consideration paid to stockholders, net of cash acquired of \$16.1 million.....	\$337.8
Consideration paid to former Masland stock option holders...	22.1
Debt assumed.....	96.8
Stock options issued to former Masland option holders.....	9.0
Fees and expenses.....	8.1

Cost of acquisition.....	\$473.8
	=====
Property, plant and equipment.....	\$125.8
Net working capital.....	31.5
Other assets purchased and liabilities assumed, net.....	(15.7)
Goodwill.....	332.2

Total cost allocation.....	\$473.8
	=====

The pro forma unaudited financial data is presented to illustrate the estimated effects of the Masland Acquisition, the related financing and subsequent refinancing (Notes 5 and 6) as if these transactions had occurred as of the beginning of the year presented as follows (in millions, except per share data):

	YEAR ENDED DECEMBER 31, 1996 ----- PRO FORMA -----
Net sales.....	\$6,510.8
Net income.....	153.9
Diluted net income per share.....	2.27

COMPANY OFFERINGS

In July 1996, the Company issued and sold 7,500,000 shares of common stock in a public offering (the "1996 Offering"). The total proceeds to the Company from the stock issuance were \$251.3 million. Fees and expenses related to the 1996 Offering totaled \$8.5 million, including approximately \$1.1 million paid to Lehman Brothers Inc., an affiliate of the Lehman Funds. Net of issuance costs, the Company received \$242.8 million, which was used to repay debt incurred in connection with the Masland Acquisition (Note 4).

SECONDARY OFFERINGS

In June 1997, the Company's then-largest stockholders, certain merchant banking partnerships affiliated with Lehman Brothers Holdings, Inc., (the "Lehman Funds"), sold all 10,284,854 of their remaining shares of common stock of Lear in a secondary offering. Prior to the offering, the Lehman Funds held approximately 16% of the outstanding common stock of the Company. The Company received no proceeds from the sale of these shares.

Concurrent with the 1996 Offering, 7,500,000 shares were sold by certain stockholders of the Company, including the Lehman Funds. The Company received no proceeds from the sale of these shares.

(6) SUBORDINATED NOTES OFFERINGS

In July 1996, the Company completed a public offering of \$200.0 million principal amount of its 9 1/2% Subordinated Notes due 2006 (the "9 1/2% Notes"). Interest is payable on the 9 1/2% Notes semi-annually on January 15 and July 15. Fees and expenses related to the issuance of the 9 1/2% Notes were approximately \$4.5 million. Net of issuance costs, the Company received \$195.5 million, which was used to repay debt incurred in connection with the Masland Acquisition (Note 4).

(7) INVESTMENTS IN AFFILIATES

The investments in affiliates, which are accounted for using the equity method, are as follows:

	PERCENT BENEFICIAL OWNERSHIP AS OF DECEMBER 31,		
	1998	1997	1996
Sommer Masland UK Limited.....	50%	50%	50%
Industrias Cousin Freres, S.L. (Spain).....	50	50	50
Lear -- Donnelly Overhead Systems, L.L.C.	50	50	--
SALBI, A.B.	50	50	50
Detroit Automotive Interiors, L.L.C.	49	49	49
Autoform Kunststoffteile GmbH.....	45	--	--
Interiores Automotrices Summa, S.A. de C.V. (Mexico).....	40	40	40
U.P.M. S.R.L. (Italy).....	39	--	--
Markol Otomotiv Yan Sanayi Ve Ticaret (Turkey).....	35	35	35
Jiangxi Jiangling Lear, Interior Systems Co., Ltd. (China).....	33	33	50
Guildford Kast Plastifol Dynamics, Ltd. (U.K.).....	33	33	33
Precision Fabrics Group.....	29	29	29
Interni Interiores S.A. (Brazil).....	25	--	--
Pacific Trim Corporation Ltd. (Thailand).....	20	20	20

In October 1997, the Company formed a joint venture with Donnelly Corporation named Lear-Donnelly Overhead Systems, L.L.C. The joint venture designs, develops, markets and produces overhead systems for the global

automotive market. The aggregate investment in affiliates was \$73.9 million and \$71.3 million as of December 31, 1998 and 1997, respectively.

Summarized group financial information for affiliates accounted for under the equity method is as follows (unaudited, in millions):

	DECEMBER 31,	
	1998	1997
	----	----
Balance sheet data:		
Current assets.....	\$162.0	\$127.7
Non-current assets.....	137.0	78.1
Current liabilities.....	128.9	69.8
Non-current liabilities.....	54.2	77.7

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
	----	----	----
Income statement data:			
Net sales.....	\$579.4	\$493.2	\$471.0
Gross profit.....	80.0	75.4	68.1
Income (loss) before provision for income taxes.....	(.1)	25.2	21.6
Net income (loss).....	(1.6)	20.3	17.9

The Company had sales to affiliates of approximately \$62.9 million, \$28.1 million and \$22.2 million for the years ended December 31, 1998, 1997 and 1996, respectively. Dividends of approximately \$2.3 million, \$3.9 million and \$3.0 million were received by the Company for the years ended December 31, 1998, 1997 and 1996, respectively.

During 1998, the Company increased its ownership of General Seating of America, Inc., General Seating of Canada, Ltd. and Lear Corporation Thailand. As a result of these ownership increases, the Company acquired majority control and included the results of operations and financial position of these entities in its consolidated financial statements from the date of majority control.

(8) SHORT-TERM BORROWINGS

Lear utilizes uncommitted lines of credit to satisfy short-term working capital requirements. At December 31, 1998, the Company had unsecured lines of credit available from banks of approximately \$470 million, subject to certain restrictions imposed by the Credit Agreement (Note 9). Weighted average interest rates on the outstanding borrowings at December 31, 1998 and 1997 were 4.7% and 7.2%, respectively.

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(9) LONG-TERM DEBT

Long-term debt is comprised of the following (in millions):

DECEMBER 31,	
1998	1997
----	----

Credit agreement.....	\$ 970.3	\$ 647.7
Other.....	173.6	88.5
	-----	-----
	1,143.9	736.2
Less -- Current Portion.....	16.5	9.1
	-----	-----
	1,127.4	727.1
	-----	-----
9 1/2% Subordinated Notes.....	200.0	200.0
8 1/4% Subordinated Notes.....	136.0	136.0
	-----	-----
	336.0	336.0
	-----	-----
Long-Term Debt.....	\$1,463.4	\$1,063.1
	=====	=====

In May and December 1998, the Company amended its multi-currency revolving credit agreement (the "Credit Agreement") to increase total borrowing availability from \$1.8 billion to \$2.1 billion, eliminate the pledge of subsidiary stock which secured the facility and provide for euro denominated multi-currency loans. The Credit Agreement matures on September 30, 2001 and may be used for general corporate purposes, including acquisitions.

As of December 31, 1998, the Company had \$970 million outstanding under the Credit Agreement and \$60 million committed under outstanding letters of credit, resulting in approximately \$1.1 billion unused long-term revolving credit commitments. The weighted average interest across all currencies was approximately 5.4% and 5.8% at December 31, 1998 and 1997, respectively. Borrowings and repayments on the Credit Agreement were as follows (in millions):

YEAR	BORROWINGS	REPAYMENTS
----	-----	-----
1998.....	\$3,994.8	\$3,677.8
1997.....	3,422.3	3,260.3
1996.....	2,790.8	3,027.8

Other senior debt at December 31, 1998 is principally made up of amounts outstanding under U.S. term loans, industrial revenue bonds and capital leases.

The 8 1/4% Subordinated Notes, due in 2002, require interest payments semi-annually on February 1 and August 1 and became callable at par on February 1, 1999. The 9 1/2% Subordinated Notes, due in 2006, require interest payments semi-annually on January 15 and July 15 and are callable at par beginning July 15, 2001. In July 1997, the Company redeemed all of its 11 1/4% Senior Subordinated Notes, due 2000 (the "11 1/4% Notes"), at par with borrowings under the Credit Agreement. The accelerated amortization of deferred financing fees related to the 11 1/4% Notes totaled approximately \$1.6 million. This amount, net of the related tax benefit of \$.6 million, has been reflected as an extraordinary loss in the consolidated statement of income in 1997.

The Credit Agreement and indentures relating to the Company's subordinated debt contain restrictive covenants. The most restrictive of these covenants are the financial covenants related to the maintenance of certain levels of leverage and interest coverage. These agreements also restrict the Company's ability to incur additional indebtedness, declare dividends, create liens, make investments and advances and sell assets.

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The scheduled maturities of long-term debt at December 31, 1998 for the five succeeding years are as follows (in millions):

YEAR ----	MATURITIES -----
1999.....	\$ 16.5
2000.....	31.2
2001.....	1,026.3
2002.....	138.1
2003.....	5.1

(10) NATIONAL INCOME TAXES

A summary of income before provision for national income taxes and components of the provision for national income taxes is as follows (in millions):

	YEAR ENDED DECEMBER 31, -----		
	1998 ----	1997 ----	1996 ----
Income before provision for national income taxes, minority interests in consolidated subsidiaries, equity in net income of affiliates and extraordinary item:			
Domestic.....	\$ 98.9	\$213.2	\$135.7
Foreign.....	115.9	132.6	117.7
	-----	-----	-----
	\$214.8	\$345.8	\$253.4
	=====	=====	=====
Domestic provision for national income taxes:			
Current provision.....	\$ 72.7	\$109.8	\$ 48.4
	-----	-----	-----
Deferred --			
Deferred provision.....	(14.2)	(18.3)	2.8
Benefit of previously unbenefitted net operating loss carryforwards.....	--	(5.9)	--
	-----	-----	-----
	(14.2)	(24.2)	2.8
	-----	-----	-----
Total domestic provision.....	58.5	85.6	51.2
	-----	-----	-----
Foreign provision for national income taxes:			
Current provision.....	58.1	65.1	51.0
	-----	-----	-----
Deferred --			
Deferred provision.....	(17.4)	(1.9)	6.6
Benefit of previously unbenefitted net operating loss carryforwards.....	(5.3)	(5.7)	(7.3)
	-----	-----	-----
	(22.7)	(7.6)	(.7)
	-----	-----	-----
Total foreign provision.....	35.4	57.5	50.3
	-----	-----	-----
Provision for national income taxes.....	\$ 93.9	\$143.1	\$101.5
	=====	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

The differences between tax provisions calculated at the United States Federal statutory income tax rate of 35% and the consolidated national income tax provision are summarized as follows (in millions):

YEAR ENDED DECEMBER 31, -----		
1998	1997	1996
----	----	----

Income before provision for national income taxes, minority interests in consolidated subsidiaries, equity in net income of affiliates and extraordinary item multiplied by the United States Federal statutory rate.....	\$ 75.2	\$121.0	\$ 88.7
Differences between domestic and effective foreign tax rates.....	6.4	3.9	1.3
Net operating losses not tax benefited.....	14.3	10.2	15.8
Decrease in valuation allowance.....	(0.3)	(3.6)	(8.3)
Foreign subsidiary basis adjustment.....	(13.9)	--	--
Amortization of goodwill.....	13.5	12.4	10.4
Utilization of net operating losses and other.....	(1.3)	(.8)	(6.4)
	-----	-----	-----
	\$ 93.9	\$143.1	\$101.5
	=====	=====	=====

Deferred national income taxes represent temporary differences in the recognition of certain items for income tax and financial reporting purposes. The components of the net deferred national income tax (asset) liability are summarized as follows (in millions):

	DECEMBER 31,	
	1998	1997
	----	----
Deferred national income tax liabilities:		
Long-term asset basis differences.....	\$ 52.5	\$ 63.4
Taxes provided on unremitted foreign earnings.....	--	10.3
Deferred finance fees.....	1.7	2.9
Recoverable customer engineering and tooling.....	50.2	30.3
Other.....	13.7	2.1
	-----	-----
	\$ 118.1	\$ 109.0
	=====	=====
Deferred national income tax assets:		
Tax credit carryforwards.....	\$ --	\$ (.3)
Tax loss carryforwards.....	(128.0)	(78.7)
Retirement benefit plans.....	(28.6)	(22.4)
Accruals.....	(97.5)	(64.8)
Self-insurance reserves.....	(12.4)	(11.6)
Asset valuations.....	(0.8)	(18.2)
Minimum pension liability.....	(6.4)	(.3)
Deferred compensation.....	(2.0)	(2.4)
Other.....	(6.2)	(8.8)
	-----	-----
	(281.9)	(207.5)
Valuation allowance.....	95.6	64.8
	-----	-----
	\$ (186.3)	\$ (142.7)
	=====	=====
Net deferred national income tax asset.....	\$ (68.2)	\$ (33.7)
	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

Deferred national income tax assets have been fully offset by a valuation allowance in certain foreign tax jurisdictions due to a history of operating losses. The classification of the net deferred national income tax asset is summarized as follows (in millions):

DECEMBER 31,	
1998	1997

	----	----
Deferred national income tax assets:		
Current.....	\$ (100.7)	\$ (85.9)
Long-term.....	(13.5)	(15.0)
Deferred national income tax liabilities:		
Current.....	7.0	5.5
Long-term.....	39.0	61.7
	-----	-----
Net deferred national income tax asset.....	\$ (68.2)	\$ (33.7)
	=====	=====

Deferred national income taxes have not been provided on the undistributed earnings of the Company's foreign subsidiaries as such amounts are either considered to be permanently reinvested or would not create any additional U.S. tax upon repatriation. The cumulative undistributed earnings at December 31, 1998 on which the Company had not provided additional national income taxes were approximately \$173.7 million.

As of December 31, 1998, the Company had tax loss carryforwards of \$326.0 million which relate to certain foreign subsidiaries. Of the total loss carryforwards, \$179.5 million have no expiration and \$146.5 million expire in 1999 through 2006.

(11) PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has noncontributory defined benefit pension plans covering certain domestic employees and certain employees in foreign countries. The Company's salaried plans provide benefits based on a five-year average earnings formula. Hourly pension plans provide benefits under flat benefit formulas. The Company also has contractual arrangements with certain employees which provide for supplemental retirement benefits. In general, the Company's policy is to fund these plans based on legal requirements, tax considerations and local practices.

The Company has postretirement plans covering a portion of the Company's domestic employees and Canadian employees. The plans generally provide for the continuation of medical benefits for all employees who complete 10 years of service after age 45 and retire from the Company at age 55 or older. The Company does not fund its postretirement benefit obligation. Rather, payments are made as costs are incurred by covered retirees.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

Effective January 1, 1998, the Company adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits". In accordance with SFAS No. 132, the following tables provide a reconciliation of the change in benefit obligation, the change in plan assets and the net amount recognized in the consolidated balance sheets (based on a September 30 measurement date, in millions):

	DECEMBER 31,			
	PENSION		OTHER POSTRETIREMENT	
	1998	1997	1998	1997
Change in benefit obligation:				
Benefit obligation at beginning of year.....	\$201.0	\$154.1	\$ 70.2	\$ 66.3
Service cost.....	14.8	14.7	4.8	4.6
Interest cost.....	13.9	13.4	4.7	4.9
Amendments.....	0.9	8.1	--	--
Actuarial (gain) loss.....	7.0	4.7	(9.4)	(3.6)
Acquisitions.....	--	17.2	3.9	--
Benefits paid.....	(7.1)	(6.6)	(1.9)	(1.3)
Translation adjustment.....	(6.7)	(4.6)	(1.4)	(0.7)

Benefit obligation at end of year.....	\$223.8	\$201.0	\$ 70.9	\$ 70.2
Change in plan assets:				
Fair value of plan assets at beginning of year.....	\$138.0	\$108.0	\$ --	\$ --
Actual return on plan assets.....	(6.6)	20.1	--	--
Employer contributions.....	18.8	15.3	1.9	1.3
Acquisitions.....	--	3.6	--	--
Benefits paid.....	(6.3)	(5.8)	(1.9)	(1.3)
Translation adjustment.....	(5.8)	(3.2)	--	--
Fair value of plan assets at end of year.....	\$138.1	\$138.0	\$ --	\$ --
Funded status.....	\$ (85.7)	\$ (63.0)	\$ (70.9)	\$ (70.2)
Unrecognized net actuarial (gain) loss.....	21.7	(1.9)	(13.9)	(6.9)
Unrecognized net transition (asset) obligation.....	(2.4)	(3.0)	27.2	27.5
Unrecognized prior service cost.....	26.7	29.4	(2.9)	0.3
Net amount recognized.....	\$ (39.7)	\$ (38.5)	\$ (60.5)	\$ (49.3)
Amounts recognized in the consolidated balance sheets:				
Prepaid benefit cost.....	\$ 12.2	\$ 10.4	\$ --	\$ --
Accrued benefit liability.....	(93.6)	(75.8)	(60.5)	(49.3)
Intangible asset.....	23.5	26.1	--	--
Deferred tax asset.....	6.4	0.3	--	--
Accumulated other comprehensive income.....	11.8	0.5	--	--
Net amount recognized.....	\$ (39.7)	\$ (38.5)	\$ (60.5)	\$ (49.3)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were \$161.9 million, \$156.8 million and \$89.0 million, respectively, as of December 31, 1998, and \$136.0 million, \$127.6 million and \$78.4 million, respectively, as of December 31, 1997.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

Components of the Company's net periodic benefit costs are as follows (in millions):

	DECEMBER 31,					
	PENSION			OTHER POSTRETIREMENT		
	1998	1997	1996	1998	1997	1996
Components of net periodic benefit cost:						
Service cost.....	\$ 14.8	\$14.7	\$10.6	\$ 4.8	\$ 4.6	\$ 4.2
Interest cost.....	13.9	13.4	10.6	4.7	4.9	4.0
Expected return on plan assets.....	(10.8)	(8.9)	(7.0)	--	--	--
Amortization of actuarial (gain) loss.....	(0.2)	0.1	0.8	(1.2)	(0.3)	(0.5)
Amortization of transition (asset) obligation.....	(0.4)	(0.3)	(0.2)	1.7	1.7	1.8
Amortization of prior service cost.....	2.3	2.4	1.7	(0.4)	0.1	0.2
Net periodic benefit cost.....	\$ 19.6	\$21.4	\$16.5	\$ 9.6	\$11.0	\$ 9.7

The actuarial assumptions used in determining the funded status information and net periodic benefit cost information shown above were as follows:

DECEMBER 31,

	PENSION		OTHER POSTRETIREMENT	
	1998	1997	1998	1997
Weighted-average assumptions:				
Discount rate:				
Domestic plans.....	6 3/4%	7 1/2%	6 3/4%	7 1/2%
Foreign plans.....	6-7%	4 1/2-7 1/2%	7%	8%
Expected return on plan assets:				
Domestic plans.....	9%	9%	N/A	N/A
Foreign plans.....	7%	7 1/2%	N/A	N/A
Rate of compensation increase:				
Domestic plans.....	4 1/4%	5%	N/A	N/A
Foreign plans.....	3-4 1/2%	1-5%	N/A	N/A

For measurement purposes, domestic health care costs were assumed to increase 8.8% in 1998, grading down over time to 5.5% in eight years. Foreign health care costs were assumed to increase 8.0% in 1998, grading down over time to 5.5% in fifteen years.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the postretirement plans. A 1% rise in the assumed rate of healthcare cost increases each year would increase the postretirement benefit obligation as of December 31, 1998 by \$10.7 million and increase the postretirement net periodic benefit cost by \$1.8 million for the year ended December 31, 1998.

The Company also sponsors defined contribution plans and participates in government sponsored programs in certain foreign countries. Contributions are determined as a percentage of each covered employee's salary. The Company also participates in multi-employer pension plans for certain of its hourly employees and contributes to those plans based on collective bargaining agreements. The aggregate cost of the defined contribution and multi-employer pension plans charged to income was \$12.1 million, \$10.4 million and \$4.7 million for the years ended December 31, 1998, 1997 and 1996, respectively.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(12) COMMITMENTS AND CONTINGENCIES

The Company is the subject of various lawsuits, claims and environmental contingencies. In addition, the Company has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("Superfund"), for the cleanup of contamination from hazardous substances at one Superfund site and may incur indemnification obligations for cleanup at three additional sites. In the opinion of management, the expected liability resulting from these matters is adequately covered by amounts accrued and will not have a material adverse effect on the Company's consolidated financial position or future results of operations.

Approximately 21,000 of the Company's workforce worldwide are subject to collective bargaining agreements, 38% of which expire within one year. Relationships with all unions are good, and management does not anticipate any difficulties with respect to the agreements.

Lease commitments at December 31, 1998 under noncancelable operating leases with terms exceeding one year are as follows (in millions):

1999.....	\$ 37.2
2000.....	30.6
2001.....	24.3
2002.....	20.0
2003.....	15.5
2004 and thereafter.....	24.9

Total..... \$152.5
=====

The Company's operating leases cover principally buildings and transportation equipment. Rent expense incurred under all operating leases and charged to operations was \$60.6 million, \$37.8 million and \$29.8 million for the years ended December 31, 1998, 1997 and 1996, respectively.

(13) STOCK OPTION PLANS

The Company has four plans under which it has issued stock options, the 1992 Stock Option Plan, the 1994 Stock Option Plan, the 1996 Stock Option Plan and the Long-Term Stock Incentive Plan. Options issued to date under these plans generally vest over a three-year period and expire ten years from the original plan date.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

As part of the Masland Acquisition (Note 4), outstanding Masland stock options were converted into options to acquire 517,920 shares of the Company's common stock at prices ranging from \$11.63 to \$30.17 per share. The value of the Masland options converted as of the date of the acquisition was \$9.0 million and was included in the purchase price of the acquisition. A summary of options transactions during each of the three years in the period ended December 31, 1998 is shown below:

	STOCK OPTIONS	PRICE RANGE
	-----	-----
Outstanding at December 31, 1995.....	4,476,910	\$ 1.29 - \$30.25
Granted.....	1,076,920	\$11.63 - \$33.00
Expired or cancelled.....	(36,000)	\$15.50 - \$33.00
Exercised.....	(1,832,588)	\$ 1.29 - \$23.12

Outstanding at December 31, 1996.....	3,685,242	\$ 1.29 - \$33.00
Granted.....	554,000	\$37.25
Expired or cancelled.....	(166,685)	\$ 1.29 - \$37.25
Exercised.....	(1,286,059)	\$ 1.29 - \$33.00

Outstanding at December 31, 1997.....	2,786,498	\$ 1.29 - \$37.25
Granted.....	880,350	\$54.22
Expired or cancelled.....	(84,378)	\$19.26 - \$54.22
Exercised.....	(320,379)	\$ 1.29 - \$37.25

Outstanding at December 31, 1998.....	3,262,091	\$ 5.00 - \$54.22
	=====	

At December 31, 1998, 1,397,143 stock options were exercisable at a weighted average price of \$11.83.

The Long-Term Stock Incentive Plan also permits the grants of stock appreciation rights, restricted stock, restricted units, performance shares and performance units (collectively "Incentive Units") to officers and other key employees of the Company. As of December 31, 1998, the Company had outstanding Incentive Units convertible into a maximum of 186,588 shares of common stock of the Company.

Pro Forma

At December 31, 1998, the Company had several stock option plans, which are described above. The Company applies APB Opinion 25 and related Interpretations in accounting for its plans. Accordingly, compensation cost was calculated as the difference between the exercise price of the option and the market value of the stock at the date the option was granted. If compensation cost for the Company's stock option plans was determined based on the fair value at the grant dates consistent with the method prescribed in SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income

LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

and net income per share would have been reduced to the pro forma amounts indicated below (unaudited, in millions, except per share data).

	1998	1997	1996
	----	----	----
As Reported			
Income before extraordinary item.....	\$115.5	\$208.2	\$151.9
Net income.....	\$115.5	\$207.2	\$151.9
Diluted income per share before extraordinary			
item.....	\$ 1.70	\$ 3.05	\$ 2.38
Diluted net income per share.....	\$ 1.70	\$ 3.04	\$ 2.38
Pro forma			
Income before extraordinary item.....	\$107.9	\$204.3	\$150.4
Net income.....	\$107.9	\$203.3	\$150.4
Diluted income per share before extraordinary			
item.....	\$ 1.59	\$ 2.99	\$ 2.36
Diluted net income per share.....	\$ 1.59	\$ 2.98	\$ 2.36

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 1998, 1997 and 1996: expected dividend yields of 0.0% and expected lives of 10 years. The risk-free interest rates used were 6 3/4% in 1998 and 7 1/2% in 1997 and 1996. The expected volatility used was 33.9% in 1998, 30.2% in 1997 and 31.5% in 1996.

(14) SEGMENT REPORTING

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to stockholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers.

The Company is organized based on customer-focused and geographic divisions. Each division reports their results from operations and makes requests for capital expenditures directly to the chief operating decision making group. This group is comprised of the Chairman & Chief Executive Officer, the Vice-Chairman, the President and Chief Operating Officer and the Chief Financial Officer. Under this organizational structure, the Company's operating segments have been aggregated into one reportable segment. This aggregated segment consists of eight divisions, each with separate management teams and infrastructures dedicated to providing complete automotive interiors to its respective automotive OEM customers. Each of the Company's eight divisions demonstrate similar economic performance, mainly driven by automobile production volumes in the geographic regions in which they operate. Also, each division operates in the competitive "Tier 1" automotive supplier environment and continually is working with its customers to manage costs without sacrificing quality. All of the Company's manufacturing facilities use Just-In-Time (JIT) manufacturing techniques to produce and distribute their automotive interior products. These techniques include maintaining constant computer and other communication connections between personnel at the Company's plants and personnel at the customers' plants to keep production current with the customers' demand. The Other category includes the corporate office, geographic headquarters, technology division and elimination of intercompany activities, none of which meet the requirements of being classified as an operating segment.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies described in Note 2. The Company evaluates the performance of its operating segments based primarily on sales, operating income before amortization and cash flow, being defined as EBITA less capital expenditures plus depreciation.

LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

The following table presents revenues and other financial information by business segment (in millions):

	1998		
	AUTOMOTIVE INTERIORS	OTHER	CONSOLIDATED
Revenues.....	\$9,050.4	\$ 9.0	\$9,059.4
EBITA.....	537.1	(145.7)	391.4
Depreciation.....	161.2	9.3	170.5
Capital expenditures.....	307.2	44.2	351.4
Total assets.....	3,812.5	1,864.8	5,677.3

	1997		
	AUTOMOTIVE INTERIORS	OTHER	CONSOLIDATED
Revenues.....	\$7,330.0	\$ 12.9	\$7,342.9
EBITA.....	652.9	(130.4)	522.5
Depreciation.....	135.4	7.6	143.0
Capital expenditures.....	168.7	19.2	187.9
Total assets.....	2,937.2	1,521.9	4,459.1

	1996		
	AUTOMOTIVE INTERIORS	OTHER	CONSOLIDATED
Revenues.....	\$6,249.1	\$ --	\$6,249.1
EBITA.....	496.6	(87.2)	409.4
Depreciation.....	103.4	5.3	108.7
Capital expenditures.....	139.4	14.4	153.8
Total assets.....	2,525.6	1,291.2	3,816.8

The following table presents revenues and long-lived assets for each of the geographic areas in which the Company operates (in millions):

	1998	1997	1996
	----	----	----
Revenues:			
United States.....	\$4,413.7	\$3,609.4	\$3,213.5
Canada.....	957.8	1,056.1	844.5
Germany.....	1,345.8	559.8	476.9
Other foreign countries.....	2,342.1	2,117.6	1,714.2
	-----	-----	-----
Total.....	\$9,059.4	\$7,342.9	\$6,249.1
	=====	=====	=====

LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

	1998	1997	1996
	----	----	----
Long-lived assets:			
United States.....	\$ 705.0	\$ 608.7	\$554.5
Canada.....	82.9	62.9	66.4
Germany.....	132.6	101.1	58.3
Other foreign countries.....	392.9	248.6	251.0
	-----	-----	-----
Total.....	\$1,313.4	\$1,021.3	\$930.2
	=====	=====	=====

A majority of the Company's revenues are from four automobile manufacturing companies. The following is a summary of the percentage of revenues from major customers:

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
	----	----	----
General Motors Corporation.....	26%	27%	30%
Ford Motor Company.....	23	29	32
DaimlerChrysler.....	14	9	7
Fiat S.p.A.....	8	10	10

In addition, a significant portion of the remaining revenues are to the above automobile manufacturing companies through various other automotive suppliers or to affiliates of these automobile manufacturing companies.

(15) FINANCIAL INSTRUMENTS

The Company hedges certain foreign currency risks through the use of forward foreign exchange contracts and options. Such contracts are generally deemed as, and are effective as, hedges of the related transactions. As such, gains and losses from these contracts are deferred and are recognized on the settlement date, consistent with the related transactions. The Company and its subsidiaries contracted to exchange notional United States dollar equivalent principal amounts of \$289.8 million as of December 31, 1998 and \$231.8 million as of December 31, 1997. All contracts outstanding as of December 31, 1998 mature in 1999. The deferred gain on such contracts as of December 31, 1998 was \$.5 million compared to \$.3 million as of December 31, 1997.

The carrying values of the Company's subordinated notes vary from the fair values of these instruments. The fair values were determined by reference to market prices of the securities in recent public transactions. As of December 31, 1998 and 1997, the aggregate carrying value of the Company's subordinated notes was \$336.0 million compared to an estimated fair value of \$356.7 million and \$357.9 million, respectively. The carrying value of the Company's senior indebtedness approximates its fair value which was determined based on rates currently available to the Company for similar borrowings with like maturities.

The Company uses interest rate swap contracts to hedge against interest rate risks in future periods. As of December 31, 1998, the Company had entered into swap contracts with an aggregate notional value of \$300.0 million with maturities between fifteen months and ten years. Pursuant to each of the contracts, the Company will make payments calculated at a fixed base rate of between 4.6% and 6.0% of the notional value and will receive payments calculated at the LIBOR rate. This effectively fixes the Company's interest rate on the portion of the indebtedness under the Credit Agreement covered by the contracts. The fair value of these contracts as of December 31, 1998 was a negative \$12.2 million.

Several of the Company's European subsidiaries factor their accounts receivable with financial institutions subject to limited recourse provisions

and are charged a discount fee ranging from 3.8% to

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

4.7%. The amount of such factored receivables, which is not included in accounts receivable in the consolidated balance sheets at December 31, 1998 and 1997, was approximately \$200.0 million and \$137.0 million, respectively.

During 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective for fiscal years beginning after June 15, 1999. It requires all derivative instruments to be recorded in the balance sheet at their fair value. Changes in the fair value of derivatives are required to be recorded each period in current earnings or other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction. We do not expect the effects of adoption to be significant.

(16) QUARTERLY FINANCIAL DATA

THIRTEEN WEEKS ENDED				
	MARCH 28, 1998	JUNE 27, 1998	SEPTEMBER 26, 1998	DECEMBER 31, 1998
(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE DATA)				
Net sales.....	\$2,032.1	\$2,175.0	\$1,946.5	\$2,905.8
Gross profit.....	200.2	231.6	162.0	267.6
Net income (loss).....	47.3	65.7	21.6	(19.1)
Diluted net income per share.....	.69	.96	.32	(.28)

THIRTEEN WEEKS ENDED				
	MARCH 29, 1997	JUNE 28, 1997	SEPTEMBER 27, 1997	DECEMBER 31, 1997
(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE DATA)				
Net sales.....	\$1,724.0	\$1,839.3	\$1,635.9	\$2,143.7
Gross profit.....	177.9	213.5	175.3	242.7
Income before extraordinary item.....	41.9	61.1	36.6	68.6
Net income.....	41.9	61.1	35.6	68.6
Diluted net income per share before extraordinary item.....	.62	.90	.53	1.00
Diluted net income per share.....	.62	.90	.52	1.00

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

DECEMBER 31, 1998					
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
(IN MILLIONS)					
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents.....	\$ (3.8)	\$.9	\$ 32.9	\$ --	\$ 30.0

Accounts receivable, net.....	138.4	294.2	941.3	--	1,373.9
Inventories.....	17.3	45.9	286.4	--	349.6
Recoverable customer engineering and tooling.....	28.1	12.6	180.7	--	221.4
Other.....	44.6	29.5	149.0	--	223.1
Total current assets.....	224.6	383.1	1,590.3	--	2,198.0
LONG-TERM ASSETS:					
Property, plant and equipment, net....	110.6	320.7	751.0	--	1,182.3
Goodwill, net.....	274.6	615.3	1,129.9	--	2,019.8
Investment in subsidiaries.....	1,794.4	21.1	--	(1,815.5)	--
Other.....	82.0	11.1	184.1	--	277.2
Total long-term assets.....	2,261.6	968.2	2,065.0	(1,815.5)	3,479.3
	\$2,486.2	\$1,351.3	\$3,655.3	\$(1,815.5)	\$5,677.3
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings.....	\$ 55.0	\$ --	\$ 27.7	\$ --	\$ 82.7
Accounts payable and drafts.....	191.0	254.5	1,155.3	--	1,600.8
Accrued liabilities.....	133.9	141.9	521.7	--	797.5
Current portion of long-term debt....	3.5	.2	12.8	--	16.5
Total current liabilities.....	383.4	396.6	1,717.5	--	2,497.5
LONG-TERM LIABILITIES:					
Deferred national income taxes.....	(15.5)	31.2	23.3	--	39.0
Long-term debt.....	1,168.1	.8	294.5	--	1,463.4
Intercompany accounts, net.....	(484.1)	666.7	(182.6)	--	--
Other.....	134.3	53.1	190.0	--	377.4
Total long-term liabilities.....	802.8	751.8	325.2	--	1,879.8
STOCKHOLDERS' EQUITY.....	1,300.0	202.9	1,612.6	(1,815.5)	1,300.0
	\$2,486.2	\$1,351.3	\$3,655.3	\$(1,815.5)	\$5,677.3

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS (CONTINUED)

	DECEMBER 31, 1997				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	(IN MILLIONS)				
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents.....	\$ (.6)	\$.5	\$ 13.0	\$ --	\$ 12.9
Accounts receivable, net.....	73.4	255.5	736.9	--	1,065.8
Inventories.....	11.4	47.9	172.1	--	231.4
Recoverable customer engineering and tooling.....	28.0	14.6	110.0	--	152.6
Other.....	38.6	25.9	87.7	--	152.2
Total current assets.....	150.8	344.4	1,119.7	--	1,614.9
LONG-TERM ASSETS:					
Property, plant and equipment, net....	80.6	310.2	548.3	--	939.1
Goodwill, net.....	113.3	626.8	952.2	--	1,692.3
Investment in subsidiaries.....	1,098.1	13.1	--	(1,111.2)	--
Other.....	79.8	7.7	125.3	--	212.8
Total long-term assets.....	1,371.8	957.8	1,625.8	(1,111.2)	2,844.2
	\$1,522.6	\$1,302.2	\$2,745.5	\$(1,111.2)	\$4,459.1
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings.....	\$ 27.6	\$ --	\$ 10.3	\$ --	\$ 37.9
Accounts payable and drafts.....	115.8	190.7	880.0	--	1,186.5
Accrued liabilities.....	91.4	154.8	374.3	--	620.5
Current portion of long-term debt....	--	.3	8.8	--	9.1
Total current liabilities.....	234.8	345.8	1,273.4	--	1,854.0
LONG-TERM LIABILITIES:					
Deferred national income taxes.....	(19.4)	30.6	50.5	--	61.7
Long-term debt.....	754.5	1.0	307.6	--	1,063.1
Intercompany accounts, net.....	(737.7)	58.0	679.7	--	--
Other.....	83.4	49.1	140.8	--	273.3
Total long-term liabilities.....	80.8	138.7	1,178.6	--	1,398.1

STOCKHOLDERS' EQUITY.....	1,207.0	817.7	293.5	(1,111.2)	1,207.0
	<u>\$1,522.6</u>	<u>\$1,302.2</u>	<u>\$2,745.5</u>	<u>\$(1,111.2)</u>	<u>\$4,459.1</u>

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998					
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
			(IN MILLIONS)		
Net sales.....	\$1,213.8	\$2,629.2	\$6,951.3	\$(1,734.9)	\$9,059.4
Cost of sales.....	1,210.4	2,279.9	6,442.6	(1,734.9)	8,198.0
Selling, general and administrative expenses.....	122.6	31.6	182.8	--	337.0
Restructuring and other changes.....	15.7	8.3	109.0	--	133.0
Amortization of goodwill.....	4.1	16.7	28.4	--	49.2
Operating income (loss).....	(139.0)	292.7	188.5	--	342.2
Interest expense.....	35.3	47.7	27.5	--	110.5
Intercompany charges, net.....	(161.1)	115.4	45.7	--	--
Other expense (income), net.....	4.5	(11.7)	24.1	--	16.9
Income (loss) before provision (credit) for national income taxes, minority interests in consolidated subsidiaries, equity in net income of affiliates and subsidiaries.....	(17.7)	141.3	91.2	--	214.8
Provision (credit) for national income taxes.....	(5.4)	48.5	50.8	--	93.9
Minority interests in consolidated subsidiaries.....	--	(.5)	7.4	--	6.9
Equity in net income of affiliates.....	(1.5)	--	--	--	(1.5)
Equity in net income of subsidiaries.....	(126.3)	(7.2)	--	133.5	--
Net income.....	<u>\$ 115.5</u>	<u>\$ 100.5</u>	<u>\$ 33.0</u>	<u>\$(133.5)</u>	<u>\$ 115.5</u>

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1997					
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
			(IN MILLIONS)		
Net sales.....	\$ 746.8	\$2,039.5	\$4,577.7	\$(21.1)	\$7,342.9
Cost of sales.....	735.9	1,753.7	4,065.0	(21.1)	6,533.5
Selling, general and administrative expenses.....	79.1	74.4	133.4	--	286.9
Amortization of goodwill.....	3.5	16.6	21.3	--	41.4
Operating income (loss).....	(71.7)	194.8	358.0	--	481.1
Interest expense.....	31.7	2.2	67.1	--	101.0
Intercompany charges, net.....	(108.9)	56.1	52.8	--	--
Other expense, net.....	9.3	15.0	10.0	--	34.3
Income (loss) before provision (credit) for national income taxes, minority interests in consolidated subsidiaries, equity in net income of affiliates and subsidiaries and extraordinary					

item.....	(3.8)	121.5	228.1	--	345.8
Provision (credit) for national income taxes.....	(1.8)	55.8	89.1	--	143.1
Minority interests in consolidated subsidiaries.....	.7	(.8)	3.4	--	3.3
Equity in net income of affiliates.....	(5.2)	(.6)	(3.0)	--	(8.8)
Equity in net income of subsidiaries.....	(204.7)	(20.0)	--	224.7	--
Income before extraordinary item...	207.2	87.1	138.6	(224.7)	208.2
Extraordinary loss on early extinguishment of debt.....	--	--	1.0	--	1.0
Net income.....	\$ 207.2	\$ 87.1	\$ 137.6	\$ (224.7)	\$ 207.2

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

	FOR THE YEAR ENDED DECEMBER 31, 1996				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	(IN MILLIONS)				
Net sales.....	\$ 765.5	\$1,857.1	\$3,636.7	\$ (10.2)	\$6,249.1
Cost of sales.....	746.2	1,625.7	3,267.7	(10.2)	5,629.4
Selling, general and administrative expenses.....	58.0	86.1	66.2	--	210.3
Amortization of goodwill.....	3.5	12.7	17.4	--	33.6
Operating income (loss).....	(42.2)	132.6	285.4	--	375.8
Interest expense.....	43.3	1.3	58.2	--	102.8
Intercompany charges, net.....	(103.8)	50.4	53.4	--	--
Other expense (income), net.....	(6.9)	9.2	17.3	--	19.6
Income before provision for national income taxes, minority interests in consolidated subsidiaries, equity in net loss (income) of affiliates and subsidiaries.....	25.2	71.7	156.5	--	253.4
Provision for national income taxes....	7.4	21.1	73.0	--	101.5
Minority interests in consolidated subsidiaries.....	(.4)	--	4.4	--	4.0
Equity in net loss (income) of affiliates.....	.5	--	(4.5)	--	(4.0)
Equity in net income of subsidiaries....	(134.2)	(15.6)	--	149.8	--
Net income.....	\$ 151.9	\$ 66.2	\$ 83.6	\$ (149.8)	\$ 151.9

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

	FOR THE YEAR ENDED DECEMBER 31, 1998				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	(IN MILLIONS)				
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	\$ 46.8	\$ 177.3	\$ 61.3	\$--	\$ 285.4
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to property, plant and equipment.....	(69.5)	(54.3)	(227.6)	--	(351.4)
Acquisitions.....	(89.6)	--	(238.6)	--	(328.2)
Other, net.....	2.6	--	(0.8)	--	1.8

Net cash used in investing activities.....	(156.5)	(54.3)	(467.0)	--	(677.8)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Long-term revolving credit borrowings, net.....	365.1	--	(48.1)	--	317.0
Other long-term debt borrowings, net.....	46.2	(0.2)	(12.3)	--	58.3
Short-term borrowings, net.....	27.4	--	15.8	--	43.2
Proceeds from sale of common stock, net.....	3.4	--	--	--	3.4
Purchase of treasury stock, net.....	(18.2)	--	--	--	(18.2)
Decrease in drafts.....	(0.1)	(0.4)	(19.4)	--	(19.9)
Change in intercompany accounts.....	(317.3)	(122.0)	439.3	--	--
Net cash provided by (used in) financing activities.....	106.5	(122.6)	399.9	--	383.8
Effect of foreign currency translation.....	--	--	25.7	--	25.7
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(3.2)	0.4	19.9	--	17.1
CASH AND CASH EQUIVALENTS -- BEGINNING OF YEAR.....	(0.6)	0.5	13.0	--	12.9
CASH AND CASH EQUIVALENTS -- END OF YEAR.....	\$ (3.8)	\$ 0.9	\$ 32.9	\$--	\$ 30.0

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS (CONTINUED)

	FOR THE YEAR ENDED DECEMBER 31, 1997				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	-----	-----	-----	-----	-----
	(IN MILLIONS)				
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (26.1)	\$ 156.0	\$ 319.5	\$--	\$ 449.4
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to property, plant and equipment.....	(12.9)	(49.6)	(125.4)	--	(187.9)
Acquisitions.....	(36.5)	--	(295.7)	--	(332.2)
Other, net.....	(14.6)	(2.1)	17.1	--	0.4
Net cash used in investing activities.....	(64.0)	(51.7)	(404.0)	--	(519.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Long-term revolving credit borrowings, net.....	(53.5)	--	190.4	--	136.9
Other long-term debt borrowings, net.....	(134.5)	(1.4)	2.9	--	(133.0)
Short-term borrowings, net.....	27.6	--	(3.4)	--	24.2
Proceeds from sale of common stock, net.....	8.4	--	--	--	8.4
Increase (decrease) in drafts.....	2.5	2.4	(2.7)	--	2.2
Change in intercompany accounts.....	237.9	(100.7)	(137.2)	--	--
Other, net.....	0.3	--	--	--	0.3
Net cash provided by (used in) financing activities.....	88.7	(99.7)	50.0	--	39.0
Effect of foreign currency translation.....	--	--	18.2	--	18.2
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1.4)	4.6	(16.3)	--	(13.1)
CASH AND CASH EQUIVALENTS -- BEGINNING OF YEAR.....	0.8	(4.1)	29.3	--	26.0
CASH AND CASH EQUIVALENTS -- END OF YEAR.....	\$ (0.6)	\$ 0.5	\$ 13.0	\$--	\$ 12.9

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LEAR CORPORATION AND SUBSIDIARIES

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

Basis of Presentation -- In connection with the acquisition of UT Automotive, Inc., a wholly-owned subsidiary of United Technologies Corporation ("UT Automotive") (see Note 18), the Company issued \$1.4 billion in securities, which consist of \$600 million aggregate principal amount of 7.96% Senior Notes due May 15, 2005 and \$800 million aggregate principal amount of 8.11% Senior Notes due May 15, 2009 (collectively, the "May 1999 Notes"). Certain of the Company's domestic wholly-owned subsidiaries (the "Guarantors") irrevocably and unconditionally guarantee on a joint and several basis the punctual payment when due, whether at stated maturity, by acceleration or otherwise, all of the Company's obligations under the May 1999 Notes indenture, including the Company's obligations to pay principal, premium, if any, and interest with respect to the May 1999 Notes. The Guarantors on the date of the indenture were Lear Operations Corporation and Lear Corporation Automotive Holdings (formerly, UT Automotive). In lieu of providing separate audited financial statements for the Guarantors, the Company has included the audited consolidating condensed financial statements on pages F-28 to F-35. Management does not believe that separate financial statements of the Guarantors are material to investors. Therefore, separate financial statements and other disclosures concerning the Guarantors are not presented.

Distributions -- There are no significant restrictions on the ability of the Company to sell or otherwise dispose of any or all of the assets of any of the Guarantors or on the ability of the Guarantors to make distributions to the Company.

Selling, General and Administrative Expenses -- During 1998, 1997 and 1996, Lear Corporation (the "Parent") allocated \$64.5 million, \$67.4 million and \$53.5 million, respectively, of corporate selling, general and administrative expenses to its operating subsidiaries. The allocations were based on various factors which estimate usage of particular corporate functions, and in certain instances, other relevant factors were used, such as the revenues or headcount of the Company's subsidiaries.

Long-term Debt of the Parent Corporation and the Guarantors -- Long-term debt of the Parent and the Guarantors on a combined basis consisted of the following at December 31 (in millions):

	1998	1997
	----	----
Credit agreement.....	\$ 755.1	\$390.0
Other long-term debt.....	81.5	29.8
Subordinated notes.....	336.0	336.0
	-----	-----
	1,172.6	755.8
Less current portion.....	(3.7)	(0.3)
	-----	-----
	\$1,168.9	\$755.5
	=====	=====

The obligations of foreign subsidiary borrowers under the credit agreement are guaranteed by the Parent.

For a more detailed description of the above indebtedness, see Note 9 to the Consolidated Financial Statements.

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

(17) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS (CONTINUED)

Aggregate minimum principal payment requirements on long-term debt, including capital lease obligations, in each of the five years subsequent to December 31, 1998 are as follows:

1999.....	\$ 3.7
2000.....	31.3
2001.....	731.9
2002.....	138.1
2003.....	5.1
Thereafter.....	262.5

(18) SUBSEQUENT EVENTS

Acquisition of UT Automotive

On May 4, 1999, the Company acquired UT Automotive for approximately \$2.3 billion, subject to certain post-closing adjustments. UT Automotive is a supplier of electrical, electronic, motor and interior products and systems to the global automotive industry. Headquartered in Dearborn, Michigan, UT Automotive has annual sales of approximately \$3 billion, 44,000 employees and 90 facilities located in 18 countries. The purchase price for the UT Automotive acquisition was financed through borrowings under the Company's primary credit facilities.

Primary Credit Facilities and the Senior Notes Offering

In connection with the UT Automotive acquisition, the Company amended and restated its existing \$2.1 billion revolving credit facility and entered into

new credit facilities. The new credit facilities consisted of \$500 million revolving credit facility, which matures on May 4, 2004, a \$500 million term loan having a scheduled amortization beginning on October 31, 2000 and a final maturity of May 4, 2004, and a \$1.4 billion interim term loan maturing on May 3, 2000.

On May 18, 1999, the Company completed the private offering of the May 1999 Notes. Interest is payable on the May 1999 Notes on May 15 and November 15 of each year. The Company used the net proceeds from the May 1999 Notes offering to repay the \$1.4 billion interim term loan under its new credit facilities, which was used to fund a portion of the UT Automotive acquisition purchase price. The Company intends to file a registration statement with the Securities and Exchange Commission to register substantially identical notes that will be exchanged for the May 1999 Notes after the registration statement becomes effective.

The May 1999 Notes are senior unsecured obligations of the Company and rank pari passu in right of payment with all of the Company's existing and future unsubordinated unsecured indebtedness. The Company's obligations under the May 1999 Notes are guaranteed, on a joint and several basis, by certain of the Company's domestic subsidiaries. Indebtedness under the Company's primary credit facilities is secured by the pledge of all or a portion of the capital stock of certain of the Company's subsidiaries. The May 1999 Notes do not have the benefit of such pledges. The primary credit facilities are guaranteed by the same domestic subsidiaries of the Company that guarantee the May 1999 Notes. Pursuant to the terms of the primary credit facilities, the guarantees and stock pledges shall be released when and if the Company achieves a certain leverage ratio or its senior long-term unsecured debt is at or above "BBB-" from Standard & Poor's Ratings Group or at or above "Baa3" from Moody's Investors Service, Inc., and certain other conditions are satisfied. In the event that any such subsidiary ceases to be a guarantor under the primary credit facilities, such subsidiary will be released as a guarantor of the May 1999 Notes. The Company may redeem all or part of either series of the May 1999 Notes, at its option, at any time, at the redemption price equal to the greater of (a) 100% of the principal amount of the notes to be redeemed

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

and (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date discounted to the redemption date on a semiannual basis at the applicable treasury rate plus 50 basis points, in each case, together with any interest accrued but not paid to the date of the redemption.

The primary credit facilities contain numerous restrictive covenants relating to maintenance of certain financial ratios and to the management and operation of the Company. The covenants include, among others, limitations on indebtedness, guarantees, mergers, acquisitions, fundamental corporate changes, asset sales, investments, loans and advances, liens, dividends and other stock payments, transactions with affiliates and optional payments and modification of debt instruments. The May 1999 Notes also contain covenants restricting the ability of the Company and its subsidiaries to incur liens and enter into sale and leaseback transactions, and limiting the ability of the Company to consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of its assets to, any person.

Sale of Electric Motor Systems

On May 7, 1999, the Company entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell the recently acquired Electric Motor Systems ("EMS") business for \$310 million, subject to certain post-closing adjustments. The Company acquired the EMS business as a part of the acquisition of UT Automotive. EMS is a supplier of industrial and automotive electric motors and starter motors for small gasoline engines. EMS had gross sales of \$351 million and has approximately 3,300 employees operating at locations in 10 countries.

Consummation of the sale is contingent upon expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act, applicable foreign competition act approvals and certain other customary

conditions.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Lear Corporation:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of LEAR CORPORATION AND SUBSIDIARIES ("the Company") included in this Form S-4 , and have issued our report thereon dated January 29, 1999 (except with respect to the matters discussed in Note 18, as to which the date is May 18, 1999). Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule on page F-40 is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

Detroit, Michigan
January 29, 1999.

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LEAR CORPORATION AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	RETIREMENTS	OTHER CHANGES	BALANCE AT END OF PERIOD
	-----	-----	-----	-----	-----
	(IN MILLIONS)				
FOR THE YEAR ENDED DECEMBER 31, 1996:					
Valuation of accounts deducted from related assets:					
Allowance for doubtful accounts.....	\$ 4.0	\$ 3.3	\$ (.6)	\$ 2.3	\$ 9.0
Reserve for unmerchutable inventories.....	6.3	4.6	(1.0)	(.6)	9.3
	-----	-----	-----	-----	-----
	\$10.3	\$ 7.9	\$ (1.6)	\$ 1.7	\$ 18.3
	=====	=====	=====	=====	=====
FOR THE YEAR ENDED DECEMBER 31, 1997:					
Valuation of accounts deducted from related assets:					
Allowance for doubtful accounts.....	\$ 9.0	\$ 5.1	\$ (2.6)	\$ 3.2	\$ 14.7
Reserve for unmerchutable inventories.....	9.3	3.6	(3.7)	3.2	12.4
	-----	-----	-----	-----	-----
	\$18.3	\$ 8.7	\$ (6.3)	\$ 6.4	\$ 27.1
	=====	=====	=====	=====	=====
FOR THE YEAR ENDED DECEMBER 31, 1998:					
Valuation of accounts deducted from related assets:					
Allowance for doubtful accounts.....	\$14.7	\$ 8.4	\$ (5.8)	\$ (1.3)	\$ 16.0
Reserve for unmerchutable inventories.....	12.4	8.0	(5.6)	.1	14.9
Reserve for restructuring and other charges....	--	133.0	(41.7)	--	91.3
	-----	-----	-----	-----	-----
	\$27.1	\$149.4	\$ (53.1)	\$ (1.2)	\$122.2
	=====	=====	=====	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

APRIL 3, DECEMBER 31,

1999 1998

(UNAUDITED) -----
(IN MILLIONS,
EXCEPT SHARE DATA)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents.....	\$ 24.6	\$ 30.0
Accounts receivable, net.....	1,482.3	1,373.9
Inventories.....	321.3	349.6
Recoverable customer engineering and tooling.....	239.1	221.4
Other.....	243.4	223.1

Total current assets.....	2,310.7	2,198.0
---------------------------	---------	---------

LONG-TERM ASSETS:

Property, plant and equipment, net.....	1,183.2	1,182.3
Goodwill, net.....	1,990.9	2,019.8
Other.....	298.9	277.2

Total long-term assets.....	3,473.0	3,479.3
-----------------------------	---------	---------

	\$5,783.7	\$5,677.3
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Short-term borrowings.....	\$ 80.3	\$ 82.7
Accounts payable and drafts.....	1,728.5	1,600.8
Accrued liabilities.....	811.4	797.5
Current portion of long-term debt.....	14.7	16.5

Total current liabilities.....	2,634.9	2,497.5
--------------------------------	---------	---------

LONG-TERM LIABILITIES:

Deferred national income taxes.....	42.9	39.0
Long-term debt.....	1,411.6	1,463.4
Other.....	397.1	377.4

Total long-term liabilities.....	1,851.6	1,879.8
----------------------------------	---------	---------

STOCKHOLDERS' EQUITY:

Common stock, \$.01 par value, 150,000,000 authorized;

67,247,442 issued at April 3, 1999 and 67,194,314

issued at December 31, 1998.....	.7	.7
----------------------------------	----	----

Additional paid-in capital.....	860.0	859.3
---------------------------------	-------	-------

Note receivable from sale of common stock.....	(.1)	(.1)
--	------	------

Less -- Common stock held in treasury, 510,230 shares at

cost.....	(18.3)	(18.3)
-----------	--------	--------

Retained earnings.....	555.0	504.7
------------------------	-------	-------

Accumulated other comprehensive income.....	(100.1)	(46.3)
---	---------	--------

Total stockholders' equity.....	1,297.2	1,300.0
---------------------------------	---------	---------

	\$5,783.7	\$5,677.3
	=====	=====

The accompanying notes are an integral part of these balance sheets.

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LEAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED

APRIL 3, 1999	MARCH 28, 1998
------------------	-------------------

(UNAUDITED, IN
MILLIONS, EXCEPT PER
SHARE DATA)

Net sales.....	\$2,687.2	\$2,032.1
----------------	-----------	-----------

Cost of sales.....	2,468.5	1,831.9
Selling, general and administrative expenses.....	84.3	78.0
Amortization of goodwill.....	14.0	11.5
	-----	-----
Operating income.....	120.4	110.7
Interest expense.....	30.1	24.7
Other expense, net.....	7.9	8.0
	-----	-----
Income before provision for national income taxes.....	82.4	78.0
Provision for national income taxes.....	32.1	30.7
	-----	-----
Net income.....	\$ 50.3	\$ 47.3
	=====	=====
Basic net income per share.....	\$.75	\$.71
	=====	=====
Diluted net income per share.....	\$.75	\$.69
	=====	=====

The accompanying notes are an integral part of these statements.
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LEAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED	
	APRIL 3, 1999	MARCH 28, 1998
	-----	-----
	(UNAUDITED, IN MILLIONS)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 50.3	\$ 47.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	62.3	54.9
Other, net.....	(16.2)	(22.8)
Change in working capital items.....	47.3	(167.6)
	-----	-----
Net cash provided by (used in) operating activities....	143.7	(88.2)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment.....	(71.6)	(48.2)
Acquisitions.....	(59.0)	--
Other, net.....	--	.5
	-----	-----
Net cash used in investing activities.....	(130.6)	(47.7)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in long-term debt, net.....	(33.8)	149.9
Short-term borrowings, net.....	(.4)	(7.2)
Other, net.....	.7	2.6
	-----	-----
Net cash provided by (used in) financing activities....	(33.5)	145.3
	-----	-----
Effect of foreign currency translation.....	15.0	(4.0)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(5.4)	5.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	30.0	12.9
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$ 24.6	\$ 18.3
	=====	=====
CHANGES IN WORKING CAPITAL:		
Accounts receivable.....	\$ (134.9)	\$ (205.6)
Inventories.....	27.2	(16.0)
Accounts payable.....	176.4	45.3
Accrued liabilities and other.....	(21.4)	8.7
	-----	-----
	\$ 47.3	\$ (167.6)
	=====	=====
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest.....	\$ 34.4	\$ 29.6
	=====	=====

Cash paid for income taxes.....	\$ 16.0	\$ 26.0
	=====	=====

The accompanying notes are an integral part of these statements.
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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Lear Corporation, a Delaware corporation, and its wholly-owned and majority-owned subsidiaries. Investments in less than majority-owned businesses are generally accounted for under the equity method. Certain items in prior year's quarterly financial statements have been reclassified to conform with the presentation used in the quarter ended April 3, 1999.

(2) 1999 ACQUISITIONS

Peregrine

On April 1, 1999, the Company acquired certain assets of Peregrine Windsor, Inc. ("Peregrine"), a division of Peregrine Incorporated. Peregrine produces just-in-time seat assemblies and door panels for several General Motors models.

Polovat / Ovatex

In February 1999, the Company acquired Polovat and the automotive business of Ovatex. Polovat and Ovatex automotive supply flooring and acoustic products for the automotive market. The acquired operations have three plants in Poland and two in Italy and employ more than 600 people.

(3) 1998 ACQUISITION

Delphi Seating

In September 1998, the Company purchased the seating business of Delphi Automotive Systems, a division of General Motors Corporation ("Delphi Seating"), for approximately \$250 million. Delphi Seating was a leading supplier of seat systems to General Motors with 16 locations in 10 countries.

The Delphi Seating acquisition was accounted for as a purchase, and accordingly, the assets purchased and liabilities assumed in the acquisition have been reflected in the accompanying consolidated balance sheets and the operating results of Delphi Seating have been included in the consolidated financial statements since the date of acquisition.

The following pro forma financial data is presented to illustrate the estimated effects of the Delphi Seating acquisition, as if the transaction had occurred as of January 1, 1998. (Unaudited; in millions, except per share data):

THREE MONTHS ENDED MARCH 28, 1998

Net sales.....	\$2,255.9
Net income.....	43.0
Diluted income per share.....	.63

The pro forma information above does not purport to be indicative of the results that actually would have been achieved if the operations were combined during the periods presented, and is not intended to be a projection of future results or trends.

(4) RESTRUCTURING AND OTHER CHARGES

In the fourth quarter of 1998, the Company began to implement a

restructuring plan designed to lower its cost structure and improve the long-term competitive position of the Company. As a result of this restructuring plan, the Company recorded pre-tax charges of \$133.0 million, consisting of \$110.5 million of

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

restructuring charges and \$22.5 million of other charges. Included in this total are the costs to consolidate the Company's European operations of \$78.9 million, charges resulting from the consolidation of certain manufacturing and administrative operations in North and South America of \$31.6 million, other asset impairment charges of \$15.0 million and contract termination fees and other of \$7.5 million.

The restructuring plan is progressing as scheduled, and there have been no significant changes to the original restructuring plan. The following table summarizes the restructuring and other charges (in millions):

	ORIGINAL ACCRUAL	UTILIZED		BALANCE APRIL 3, 1999
		CASH	NONCASH	
European Operations Consolidation.....	\$ 78.9	\$ 3.4	\$11.9	\$63.6
North and South America Operations Consolidation.....	31.6	15.9	6.5	9.2
Write-Down of Long-Lived Assets.....	15.0	--	15.0	--
Contract Termination and Other.....	7.5	7.2	--	0.3
Total.....	\$133.0	\$26.5	\$33.4	\$73.1

(5) INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. Inventories are comprised of the following (in millions):

	APRIL 3, 1999	DECEMBER 31, 1998
Raw materials.....	\$230.9	\$253.9
Work-in-process.....	25.0	23.8
Finished goods.....	65.4	71.9
Inventories.....	\$321.3	\$349.6

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciable property is depreciated over the estimated useful lives of the assets, using principally the straight-line method. A summary of property, plant and equipment is shown below (in millions):

	APRIL 3, 1999	DECEMBER 31, 1998
Land.....	\$ 75.0	\$ 70.6
Buildings and improvements.....	408.1	429.6

Machinery and equipment.....	1,303.7	1,197.8
Construction in progress.....	9.5	78.4
	-----	-----
Total property, plant and equipment.....	1,796.3	1,776.4
Less -- accumulated depreciation.....	(613.1)	(594.1)
	-----	-----
Net property, plant and equipment.....	\$1,183.2	\$1,182.3
	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(7) LONG-TERM DEBT

Long-term debt is comprised of the following (in millions):

	APRIL 3, 1999	DECEMBER 31, 1998
	-----	-----
Credit agreement.....	\$ 921.9	\$ 970.3
Other.....	168.4	173.6
	-----	-----
	1,090.3	1,143.9
Less -- Current portion.....	14.7	16.5
	-----	-----
	1,075.6	1,127.4
	-----	-----
9 1/2% Subordinated Notes.....	200.0	200.0
8 1/4% Subordinated Notes.....	136.0	136.0
	-----	-----
	336.0	336.0
	-----	-----
Long-term debt.....	\$1,411.6	\$1,463.4
	=====	=====

(8) FINANCIAL INSTRUMENTS

Certain foreign currency contracts entered into by the Company qualify for hedge accounting as only firm foreign currency commitments are hedged. Gains and losses from these contracts are deferred and generally recognized in cost of sales as of the settlement date. Other foreign currency contracts entered into by the Company, which do not receive hedge accounting treatment, are marked to market with unrealized gains or losses recognized in other expense in the income statement. Interest rate swaps are accounted for by recognizing interest expense and interest income in the amount of anticipated interest payments.

(9) FINANCIAL ACCOUNTING STANDARDS

Net Income Per Share

Basic net income per share is computed using the weighted average common shares outstanding during the period. Diluted net income per share is computed using the average share price during the period when calculating the dilutive effect of stock options. Shares outstanding for the periods presented were as follows:

	THREE MONTHS ENDED	
	APRIL 3, 1999	MARCH 28, 1998
	-----	-----
Weighted average shares outstanding.....	66,709,148	66,965,473
Dilutive effect of stock options.....	835,038	1,482,563

Diluted shares outstanding.....	67,544,186	68,448,036
	=====	=====

Comprehensive Income

Comprehensive income is defined as all changes in a Company's net assets except changes resulting from transactions with shareholders. It differs from net income in that certain items currently recorded to

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

equity would be a part of comprehensive income. Comprehensive income for the periods is as follows (in millions):

	THREE MONTHS ENDED	
	APRIL 3, 1999	MARCH 28, 1998
Net income.....	\$ 50.3	\$ 47.3
Other comprehensive income:		
Foreign currency translation adjustment.....	(53.8)	(11.7)
Other comprehensive income.....	(53.8)	(11.7)
Comprehensive income.....	\$ (3.5)	\$ 35.6
	=====	=====

(10) SEGMENT REPORTING

The Company is organized based on customer-focused and geographic divisions. Each division reports their results from operations and makes requests for capital expenditures directly to the chief operating decision making group. Under this organizational structure, the Company's operating segments have been aggregated into one reportable segment. This aggregated segment consists of eight divisions, each with separate management teams. The Other category includes the corporate office, geographic headquarters, technology division and elimination of intercompany activities, none of which meet the requirements of being classified as an operating segment.

The following table presents revenues and other financial information by business segment (in millions):

	THREE MONTHS ENDED APRIL 3, 1999		
	AUTOMOTIVE INTERIORS	OTHER	CONSOLIDATED
Revenues.....	\$2,684.8	\$ 2.4	\$2,687.2
EBITA.....	172.7	(38.3)	134.4
Depreciation.....	45.8	2.5	48.3
Capital expenditures.....	68.9	2.7	71.6
Total assets.....	3,981.4	1,802.3	5,783.7

	THREE MONTHS ENDED MARCH 28, 1998		
	AUTOMOTIVE INTERIORS	OTHER	CONSOLIDATED

	-----	-----	-----
Revenues.....	\$2,030.0	\$ 2.1	\$2,032.1
EBITA.....	160.0	(37.8)	122.2
Depreciation.....	40.9	2.5	43.4
Capital expenditures.....	43.3	4.9	48.2
Total assets.....	3,170.8	1,566.0	4,736.8

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(11) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

	APRIL 3, 1999				
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
	-----	-----	-----	-----	-----
	(UNAUDITED, IN MILLIONS)				
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents.....	\$ 2.8	\$.6	\$ 21.2	\$ --	\$ 24.6
Accounts receivable, net.....	181.0	255.3	1,046.0	--	1,482.3
Inventories.....	15.7	27.6	278.0	--	321.3
Recoverable customer engineering and tooling.....	45.7	10.8	182.6	--	239.1
Other.....	31.1	35.4	176.9	--	243.4
	-----	-----	-----	-----	-----
Total current assets.....	276.3	329.7	1,704.7	--	2,310.7
	-----	-----	-----	-----	-----
LONG-TERM ASSETS:					
Property, plant and equipment, net....	108.9	250.2	824.1	--	1,183.2
Goodwill, net.....	272.6	412.4	1,305.9	--	1,990.9
Investment in subsidiaries.....	1,653.6	292.9	--	(1,946.5)	--
Other.....	100.2	7.5	191.2	--	298.9
	-----	-----	-----	-----	-----
Total long-term assets.....	2,135.3	963.0	2,321.2	(1,946.5)	3,473.0
	-----	-----	-----	-----	-----
	\$2,411.6	\$1,292.7	\$4,025.9	\$(1,946.5)	\$5,783.7
	=====	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings.....	\$ 51.8	\$ --	\$ 28.5	\$ --	\$ 80.3
Accounts payable and drafts.....	202.8	219.4	1,306.3	--	1,728.5
Accrued liabilities.....	151.5	131.1	528.8	--	811.4
Current portion of long-term debt.....	9.0	.2	5.5	--	14.7
	-----	-----	-----	-----	-----
Total current liabilities.....	415.1	350.7	1,869.1	--	2,634.9
	-----	-----	-----	-----	-----
LONG-TERM LIABILITIES:					
Deferred national income taxes.....	(15.6)	31.2	27.3	--	42.9
Long-term debt.....	1,019.8	.8	391.0	--	1,411.6
Intercompany accounts, net.....	(452.0)	708.7	(256.7)	--	--
Other.....	147.1	60.2	189.8	--	397.1
	-----	-----	-----	-----	-----
Total long-term liabilities.....	699.3	800.9	351.4	--	1,851.6
	-----	-----	-----	-----	-----
STOCKHOLDERS' EQUITY.....	1,297.2	141.1	1,805.4	(1,946.5)	1,297.2
	-----	-----	-----	-----	-----
	\$2,411.6	\$1,292.7	\$4,025.9	\$(1,946.5)	\$5,783.7
	=====	=====	=====	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(11) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

	DECEMBER 31, 1998				
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
	-----	-----	-----	-----	-----
	(IN MILLIONS)				
ASSETS					

CURRENT ASSETS:					
Cash and cash equivalents.....	\$ (3.8)	\$.9	\$ 32.9	\$ --	\$ 30.0
Accounts receivable, net.....	138.4	294.2	941.3	--	1,373.9
Inventories.....	17.3	45.9	286.4	--	349.6
Recoverable customer engineering and tooling.....	28.1	12.6	180.7	--	221.4
Other.....	44.6	29.5	149.0	--	223.1
Total current assets.....	224.6	383.1	1,590.3	--	2,198.0
LONG-TERM ASSETS:					
Property, plant and equipment, net....	110.6	320.7	751.0	--	1,182.3
Goodwill, net.....	274.6	615.3	1,129.9	--	2,019.8
Investment in subsidiaries.....	1,794.4	21.1	--	(1,815.5)	--
Other.....	82.0	11.1	184.1	--	277.2
Total long-term assets.....	2,261.6	968.2	2,065.0	(1,815.5)	3,479.3
	<u>\$2,486.2</u>	<u>\$1,351.3</u>	<u>\$3,655.3</u>	<u>\$ (1,815.5)</u>	<u>\$5,677.3</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings.....	\$ 55.0	\$ --	\$ 27.7	\$ --	\$ 82.7
Accounts payable and drafts.....	191.0	254.5	1,155.3	--	1,600.8
Accrued liabilities.....	133.9	141.9	521.7	--	797.5
Current portion of long-term debt....	3.5	.2	12.8	--	16.5
Total current liabilities.....	383.4	396.6	1,717.5	--	2,497.5
LONG-TERM LIABILITIES:					
Deferred national income taxes.....	(15.5)	31.2	23.3	--	39.0
Long-term debt.....	1,168.1	.8	294.5	--	1,463.4
Intercompany accounts, net.....	(484.1)	666.7	(182.6)	--	--
Other.....	134.3	53.1	190.0	--	377.4
Total long-term liabilities.....	802.8	751.8	325.2	--	1,879.8
STOCKHOLDERS' EQUITY.....	1,300.0	202.9	1,612.6	(1,815.5)	1,300.0
	<u>\$2,486.2</u>	<u>\$1,351.3</u>	<u>\$3,655.3</u>	<u>\$ (1,815.5)</u>	<u>\$5,677.3</u>

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(11) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS (CONTINUED)

	FOR THE THREE MONTHS ENDED APRIL 3, 1999				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	(UNAUDITED, IN MILLIONS)				
Net sales.....	\$465.4	\$510.1	\$1,711.7	\$ --	\$2,687.2
Cost of sales.....	458.0	442.1	1,568.4	--	2,468.5
Selling, general and administrative expenses.....	34.9	8.3	41.1	--	84.3
Amortization of goodwill.....	2.0	2.9	9.1	--	14.0
Operating income (loss).....	(29.5)	56.8	93.1	--	120.4
Interest expense.....	13.8	11.5	4.8	--	30.1
Other expense (income), net.....	(62.3)	26.5	43.7	--	7.9
Income before provision for national income taxes and equity in net income of subsidiaries.....	19.0	18.8	44.6	--	82.4
Provision for national income taxes...	6.5	6.5	19.1	--	32.1
Equity in net income of subsidiaries.....	(37.8)	(31.8)	--	69.6	--
NET INCOME.....	\$ 50.3	\$ 44.1	\$ 25.5	\$ (69.6)	\$ 50.3

	FOR THE THREE MONTHS ENDED MARCH 28, 1998				
	PARENT	GUARANTORS	NON-GUARANTORS	ELIMINATIONS	CONSOLIDATED
	(UNAUDITED, IN MILLIONS)				
Net sales.....	\$211.9	\$ 602.2	\$1,218.0	\$ --	\$2,032.1
Cost of sales.....	200.3	520.3	1,111.3	--	1,831.9
Selling, general and administrative expenses.....	29.8	9.8	38.4	--	78.0
Amortization of goodwill.....	2.5	3.3	5.7	--	11.5

Operating income (loss).....	(20.7)	68.8	62.6	--	110.7
Interest expense.....	11.3	.6	12.8	--	24.7
Other expense (income), net.....	(20.4)	2.1	26.3	--	8.0
Income (loss) before provision (credit) for national income taxes and equity in net income of subsidiaries.....	(11.6)	66.1	23.5	--	78.0
Provision (credit) for national income taxes.....	(3.9)	22.7	11.9	--	30.7
Equity in net income of subsidiaries.....	(55.0)	(2.7)	--	57.7	--
NET INCOME.....	\$ 47.3	\$ 46.1	\$ 11.6	\$ (57.7)	\$ 47.3

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(11) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTHS ENDED APRIL 3, 1999					
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
(UNAUDITED, IN MILLIONS)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (1.0)	\$ 42.9	\$ 101.8	\$ --	\$ 143.7
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to property, plant and equipment.....	(12.9)	(10.2)	(48.5)	--	(71.6)
Acquisitions.....	--	--	(59.0)	--	(59.0)
Net cash used in investing activities.....	(12.9)	(10.2)	(107.5)	--	(130.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Change in long-term debt, net.....	(142.8)	--	109.0	--	(33.8)
Short-term borrowings, net.....	(3.1)	--	2.7	--	(.4)
Change in intercompany accounts.....	165.7	(33.0)	(132.7)	--	--
Other, net.....	0.7	--	--	--	.7
Net cash provided by (used in) financing activities.....	20.5	(33.0)	(21.0)	--	(33.5)
Effect of foreign currency translation.....	--	--	15.0	--	15.0
NET CHANGE IN CASH AND CASH EQUIVALENTS...	6.6	(0.3)	(11.7)	--	(5.4)
CASH AND CASH EQUIVALENTS -- BEGINNING OF PERIOD.....	(3.8)	0.9	32.9	--	30.0
CASH AND CASH EQUIVALENTS -- END OF PERIOD.....	\$ 2.8	\$ 0.6	\$ 21.2	\$ --	\$ 24.6

FOR THE THREE MONTHS ENDED MARCH 28, 1998					
	PARENT	GUARANTORS	NON- GUARANTORS	ELIMINATIONS	CONSOLIDATED
(UNAUDITED, IN MILLIONS)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (81.5)	\$ (14.6)	\$ 7.9	\$ --	\$ (88.2)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to property, plant and equipment.....	(7.6)	(6.9)	(33.7)	--	(48.2)
Other, net.....	1.3	--	(.8)	--	.5
Net cash used in investing activities.....	(6.3)	(6.9)	(34.5)	--	(47.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Change in long-term debt, net.....	97.8	.3	51.8	--	149.9
Short-term borrowings, net.....	(7.6)	--	.4	--	(7.2)
Change in intercompany accounts.....	(3.4)	21.6	(18.2)	--	--
Other, net.....	2.6	--	--	--	2.6
Net cash provided by financing activities.....	89.4	21.9	34.0	--	145.3

Effect of foreign currency translation...	----	----	-----	-----	-----
	--	--	(4.0)	--	(4.0)
NET CHANGE IN CASH AND CASH EQUIVALENTS....	1.6	.4	3.4	--	5.4
CASH AND CASH EQUIVALENTS -- BEGINNING OF PERIOD.....	(.6)	.5	13.0	--	12.9
CASH AND CASH EQUIVALENTS -- END OF PERIOD.....	\$ 1.0	\$.9	\$ 16.4	\$ --	\$ 18.3
	=====	=====	=====	=====	=====

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(11) SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS (CONTINUED)

Basis of Presentation -- In connection with the acquisition of UT Automotive, Inc., a wholly-owned subsidiary of United Technologies Corporation ("UT Automotive") (see Note 12), the Company issued \$1.4 billion in securities, which consisted of \$600 million aggregate principal amount of 7.96% Senior Notes due May 15, 2005 and \$800 million aggregate principal amount of 8.11% Senior Notes due May 15, 2009 (collectively, the "May 1999 Notes"). Certain of the Company's domestic wholly-owned subsidiaries (the "Guarantors") irrevocably and unconditionally guarantee on a joint and several basis the punctual payment when due, whether at stated maturity, by acceleration or otherwise, all of the Company's obligations under the May 1999 Notes indenture, including the Company's obligations to pay principal, premium, if any, and interest with respect to the May 1999 Notes. The Guarantors on the date of the indenture were Lear Operations Corporation and Lear Corporation Automotive Holdings (formerly, UT Automotive). In lieu of providing separate unaudited financial statements for the Guarantors, the Company has included the unaudited consolidating condensed financial statements on pages F-48 to F-51. Management does not believe that separate financial statements of the Guarantors are material to investors. Therefore, separate financial statements and other disclosures concerning the Guarantors are not presented.

Distributions -- There are no significant restrictions on the ability of the Company to sell or otherwise dispose of any or all of the assets of any of the Guarantors or on the ability of the Guarantors to make distributions to the Company.

Selling, General and Administrative Expenses -- Lear Corporation (the "Parent") allocated \$12.1 million and \$10.8 million for the period ended April 3, 1999 and March 28, 1998, respectively, of corporate selling, general and administrative expenses to its operating subsidiaries. The allocations were based on various factors which estimate usage of particular corporate functions, and in certain instances, other relevant factors were used, such as the revenues or headcount of the Company's subsidiaries.

Long-term debt of the Parent and the Guarantors -- Long-term debt of the Parent and the Guarantors on a combined basis consisted of the following as of April 3, 1999 and March 28, 1998 (unaudited, in millions):

	1999	1998
	----	----
Credit agreement.....	\$ 589.2	\$ 755.1
Other long-term debt.....	104.6	81.5
Subordinated notes.....	336.0	336.0
	-----	-----
	1,029.8	1,172.6
Less current portion.....	(9.2)	(3.7)
	-----	-----
	\$1,020.6	\$1,168.9
	=====	=====

The obligations of foreign subsidiary borrowers under the credit agreement are guaranteed by the Parent.

For a more detailed description of the above indebtedness, see Note 7 to the Consolidated Financial Statements.

(12) SUBSEQUENT EVENTS

Acquisition of UT Automotive

On May 4, 1999, the Company acquired UT Automotive for approximately \$2.3 billion, subject to certain post-closing adjustments. UT Automotive is a supplier of electrical, electronic, motor and interior products and systems to the global automotive industry. Headquartered in Dearborn, Michigan,

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

UT Automotive has annual sales of approximately \$3 billion, 44,000 employees and 90 facilities located in 18 countries. The purchase price for the UT Automotive acquisition was financed through borrowings under the Company's primary credit facilities.

Primary Credit Facilities and the Senior Notes Offering

In connection with the UT Automotive acquisition, the Company amended and restated its existing \$2.1 billion revolving credit facility and entered into new credit facilities. The new credit facilities consisted of a \$500 million revolving credit facility, which matures on May 4, 2004, a \$500 million term loan having a scheduled amortization beginning on October 31, 2000 and a final maturity of May 4, 2004, and a \$1.4 billion interim term loan maturing on May 3, 2000.

On May 18, 1999, the Company completed the private offering of the May 1999 Notes. Interest is payable on the May 1999 Notes on May 15 and November 15 of each year. The Company used the net proceeds from the May 1999 Notes offering to repay the \$1.4 billion interim term loan under its new credit facilities, which was used to fund a portion of the UT Automotive acquisition purchase price. The Company intends to file a registration statement with the Securities and Exchange Commission to register substantially identical notes that will be exchanged for the May 1999 Notes after the registration statement becomes effective.

The May 1999 Notes are senior unsecured obligations of the Company and rank pari passu in right of payment with all of the Company's existing and future unsubordinated unsecured indebtedness. The Company's obligations under the May 1999 Notes are guaranteed, on a joint and several basis, by certain of the Company's domestic subsidiaries. Indebtedness under the Company's primary credit facilities is secured by the pledge of all or a portion of the capital stock of certain of the Company's subsidiaries. The May 1999 Notes do not have the benefit of such pledges. The primary credit facilities are guaranteed by the same domestic subsidiaries of the Company that guarantee the May 1999 Notes. Pursuant to the terms of the primary credit facilities, the guarantees and stock pledges shall be released when and if the Company achieves a certain leverage ratio or its senior long-term unsecured debt is at or above "BBB-" from Standard & Poor's Ratings Group or at or above "Baa3" from Moody's Investors Service, Inc., and certain other conditions are satisfied. In the event that any such subsidiary ceases to be a guarantor under the primary credit facilities, such subsidiary will be released as a guarantor of the May 1999 Notes. The Company may redeem all or part of either series of the May 1999 Notes, at its option, at any time, at the redemption price equal to the greater of (a) 100% of the principal amount of the notes to be redeemed and (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date discounted to the redemption date on a semiannual basis at the applicable treasury rate plus 50 basis points, in each case, together with any interest accrued but not paid to the date of the redemption.

The primary credit facilities contain numerous restrictive covenants relating to maintenance of certain financial ratios and to the management and operation of the Company. The covenants include, among others, limitations on indebtedness, guarantees, mergers, acquisitions, fundamental corporate changes, asset sales, investments, loans and advances, liens, dividends and other stock payments, transactions with affiliates and optional payments and modification of

debt instruments. The May 1999 Notes also contain covenants restricting the ability of the Company and its subsidiaries to incur liens and enter into sale and leaseback transactions, and limiting the ability of the Company to consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of its assets to, any person.

Sale of Electric Motor Systems

On May 7, 1999, the Company entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell the recently acquired Electric Motor Systems ("EMS") business for \$310

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LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

million, subject to certain post-closing adjustments. The Company acquired the EMS business as a part of the acquisition of UT Automotive. EMS is a supplier of industrial and automotive electric motors and starter motors for small gasoline engines. EMS had gross sales of \$351 million and has approximately 3,300 employees operating at locations in 10 countries.

Consummation of the sale is contingent upon expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act, applicable foreign competition act approvals and certain other customary conditions.

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UT AUTOMOTIVE, INC. (FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

INTRODUCTION TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS

We have prepared the combined financial statements of UT Automotive, Inc., without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. We believe that the disclosures are adequate to make the information presented not misleading when read in conjunction with the financial statements and the notes thereto included in Lear Corporation's Current Report on Form 8-K dated May 4, 1999, and filed with the Securities and Exchange Commission on May 6, 1999.

The financial information presented reflects all adjustments (consisting only of normal recurring adjustments) which are, in our opinion, necessary for a fair presentation of the results of operations and statements of financial position for the interim periods presented. These results are not necessarily indicative of a full year's results of operations.

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UT AUTOMOTIVE, INC. (FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

COMBINED BALANCE SHEETS (UNAUDITED, IN MILLIONS)

	MARCH 31, 1999 ----- (UNAUDITED)	DECEMBER 31, 1998 -----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 83.7	\$ 43.4

Accounts receivable, net.....	528.7	575.2
Inventories.....	172.1	170.6
Other.....	83.7	70.1
	-----	-----
Total current assets.....	868.2	859.3
	-----	-----
LONG-TERM ASSETS:		
Property, plant and equipment, net.....	703.1	709.7
Goodwill, net.....	329.0	333.1
Other.....	83.4	85.3
	-----	-----
Total long-term assets.....	1,115.5	1,128.1
	-----	-----
	\$1,983.7	\$1,987.4
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings.....	\$ 6.7	\$ 9.5
Accounts payable and drafts.....	366.5	377.0
Accrued liabilities.....	192.4	193.4
Current portion of long-term debt.....	1.3	--
	-----	-----
Total current liabilities.....	566.9	579.9
	-----	-----
LONG-TERM LIABILITIES:		
Deferred national income taxes.....	37.2	38.4
Long-term debt.....	4.7	5.2
Other.....	97.1	98.9
	-----	-----
Total long-term liabilities.....	139.0	142.5
	-----	-----
STOCKHOLDERS' EQUITY:		
UTC Investment.....	1,277.8	1,265.0
	-----	-----
	\$1,983.7	\$1,987.4
	=====	=====

The accompanying notes are an integral part of these balance sheets.

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UT AUTOMOTIVE, INC.
(FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

UNAUDITED COMBINED STATEMENTS OF INCOME
(UNAUDITED, IN MILLIONS)

	THREE MONTHS ENDED	
	MARCH 31,	MARCH 31,
	1999	1998
	-----	-----
	(UNAUDITED)	
Net sales.....	\$793.0	\$715.8
Cost of sales.....	655.3	583.5
Selling, general and administrative expenses.....	90.6	83.3
Amortization of goodwill.....	3.3	3.2
	-----	-----
Operating income.....	43.8	45.8
Interest expense.....	7.3	2.7
Other (income) / expense, net.....	(.7)	.6
	-----	-----
Income before provision for national income taxes.....	37.2	42.5
Provision for national income taxes.....	15.4	17.6
	-----	-----
Net income.....	\$ 21.8	\$ 24.9
	-----	-----

The accompanying notes are an integral part of these statements.

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UT AUTOMOTIVE, INC.
(FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS
(UNAUDITED, IN MILLIONS)

THREE MONTHS ENDED

MARCH 31, MARCH 31,
1999 1998

(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$21.8	\$ 24.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	34.4	28.5
Other, net.....	(.9)	(3.4)
Change in working capital items.....	12.8	20.2
	-----	-----
Net cash provided by (used in) operating activities....	68.1	70.2
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment.....	(38.0)	(45.4)
Other, net.....	(.2)	6.5
	-----	-----
Net cash used in investing activities.....	(38.2)	(38.9)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in long-term debt, net.....	(.2)	(.8)
Short-term borrowings, net.....	(.4)	(2.2)
UTC Investment activity.....	3.4	(29.3)
Other, net.....	9.2	--
	-----	-----
Net cash provided by (used in) financing activities....	12.0	(32.3)
	-----	-----
Effect of foreign currency translation.....	(1.6)	(.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	40.3	(1.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	43.4	26.8
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$83.7	\$ 25.5
	=====	=====
CHANGES IN WORKING CAPITAL:		
Accounts receivable.....	\$29.0	\$ (11.6)
Inventories.....	(6.4)	2.7
Accounts payable.....	(.2)	(5.5)
Accrued liabilities and other.....	(9.6)	34.6
	-----	-----
	\$12.8	\$ 20.2
	=====	=====
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest.....	\$ 7.3	\$ 2.7
	=====	=====
Cash paid for income taxes.....	\$ --	\$ --
	=====	=====

The accompanying notes are an integral part of these statements.

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UT AUTOMOTIVE, INC.
(FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

UT Automotive, Inc. is a wholly-owned operating segment of United Technologies Corporation ("UTC"). The accompanying combined financial statements were prepared to show the historical operating results of the entities

comprising UTC's Automotive Business, which includes UT Automotive, Inc. and certain affiliated entities which are subsidiaries of other UTC operating units (collectively, "UT Automotive, Inc.", "UTA" or the "Company"). Throughout the period covered by the combined financial statements, the Company was treated as an operating segment of UTC.

The combined financial statements were prepared using UTC's historical basis in the assets and liabilities of UTA. Changes in indebtedness between the Company and UTC are reflected as part of the UTC investment in the accompanying combined balance sheets.

(2) 1998 ACQUISITIONS

During 1998, the Company paid approximately \$3.3 million for a 47% interest in NTTF, an Indian components manufacturer; approximately \$8.5 million for a 50% interest in Ri Yong, a Chinese cooling fan module manufacturer; approximately \$4.0 million to buyout the remaining 25% minority interest in its Loewe operation; and \$2.0 million for a preferred share interest of 6% in Eclipse International, Inc., a US based technology company specializing in software and hardware critical to the development of the AutoPC. In addition, during 1998, the Company assumed the remaining minority interest in its Xianfeng venture, to facilitate its closure and redistribution of assets to the Company's other Chinese operations, and contributed net assets of \$3.1 million for a 45% interest in a newly-formed battery cable joint venture with Saturn Electronics.

(3) RESTRUCTURING AND OTHER CHARGES

During 1998, 1997 and 1996, the Company recorded pre-tax charges related to ongoing efforts to reduce costs in response to industry conditions and to enhance cost structure and competitive position. Included in these charges were amounts for facility closures, workforce reduction actions and the restructuring of certain operations. The actions are progressing as scheduled, and there have been no significant changes to the plans since December 31, 1998. As of March 31, 1999, the remaining balance of these charges to be utilized is less than \$5.0 million.

(4) INVENTORIES

Inventories are stated at the lower of cost or market. Approximately 18% and 20% of total inventories were carried on the last-in, first-out (LIFO) cost method at March 31, 1999 and 1998, respectively. The remaining inventories are carried on the first-in, first-out (FIFO) method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. Inventories are comprised of the following (in millions):

	MARCH 31, 1999	DECEMBER 31, 1998
	-----	-----
Raw materials and work-in-progress.....	\$143.2	\$137.0
Finished goods.....	65.6	67.3
LIFO reserve.....	(23.1)	(23.1)
Other reserves.....	(13.6)	(10.6)
	-----	-----
Inventories.....	\$172.1	\$170.6
	-----	-----

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UT AUTOMOTIVE, INC.
(FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS -- CONTINUED

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciable property is depreciated over the estimated useful lives of the assets, using principally the straight-line method. A summary of property, plant and equipment is shown below (in millions):

	MARCH 31, 1999 -----	DECEMBER 31, 1998 -----
Land.....	\$ 16.4	\$ 16.5
Buildings and improvements.....	228.6	224.7
Machinery and equipment.....	1,061.4	1,062.3
Construction in progress.....	53.3	47.3
	-----	-----
Total property, plant and equipment.....	\$1,359.7	\$1,350.8
Less -- accumulated depreciation.....	(656.6)	(641.1)
	-----	-----
Net property, plant and equipment.....	\$ 703.1	\$ 709.7
	=====	=====

(6) LONG-TERM DEBT

Long-term debt is comprised of the following (in millions):

	MARCH 31, 1999 -----	DECEMBER 31, 1998 -----
Notes and other debt.....	\$2.3	\$2.4
Capital lease obligations.....	3.7	4.4
	----	----
	6.0	6.8
Less -- Current portion.....	1.3	1.6
	----	----
Long-term debt.....	\$4.7	\$5.2
	----	----

(7) SEGMENT REPORTING

The Company and its subsidiaries design, develop, manufacture and sell products, classified in four principle operating segments. The Company's operating segments were generally determined on the basis of geographic regions and product segments.

Electrical Systems -- Americas. Products include electrical distribution, electronic and electromechanical systems and components such as wire assemblies, control modules, switches, actuators, relays, terminals and connectors, smart junction boxes, power network boxes, in addition to, starter motors and wiper systems, manufactured principally in North America.

Interior Systems -- International. Products include instrument panels, modular headliners, door panels, door and sidewall trim, painted and decorated trim components, exterior mirrors and acoustic and sealing products, manufactured principally in the United States.

European Managed Operations. Products include electrical distribution, electronic and electromechanical systems and components such as wire assemblies, control modules, switches, actuators, relays, terminals and connectors, smart junction boxes, power network boxes, in addition to fractional horsepower DC motors, analog and digital auto amplifiers and video modules, manufactured principally in Europe.

Asia Pacific Operations. Products include electronic and electromechanical systems and components such as wire assemblies, control modules, in addition to fractional horsepower DC motors, manufactured principally in Asia.

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business segment (in millions):

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
	----	----
NET SALES		
Electrical Systems America.....	\$366.4	\$340.7
Interior Systems International.....	154.4	145.2
European Managed Operations.....	284.7	243.9
Asia Pacific Operations.....	4.8	3.0
Headquarters, Eliminations, Other.....	(17.3)	(17.0)
	-----	-----
Total net sales.....	\$793.0	\$715.8
	=====	=====
OPERATING PROFITS		
Electrical Systems America.....	\$ 38.6	\$ 45.2
Interior Systems International.....	4.3	7.1
European Managed Operations.....	27.3	23.7
Asia Pacific Operations.....	.8	(.4)
Headquarters, Eliminations, Other.....	(27.2)	(29.8)
	-----	-----
Total operating profits.....	\$ 43.8	\$ 45.8
	=====	=====
CAPITAL EXPENDITURES		
Electrical Systems America.....	\$ 10.0	\$ 17.5
Interior Systems International.....	10.6	8.5
European Managed Operations.....	14.1	21.0
Asia Pacific Operations.....	.1	.3
Headquarters, Eliminations, Other.....	3.2	(1.9)
	-----	-----
Total capital expenditures.....	\$ 38.0	\$ 45.4
	=====	=====
DEPRECIATION AND AMORTIZATION		
Electrical Systems America.....	\$ 11.2	\$ 11.2
Interior Systems International.....	6.2	5.2
European Managed Operations.....	12.5	8.2
Asia Pacific Operations.....	.1	.1
Headquarters, Eliminations, Other.....	4.4	3.8
	-----	-----
Total depreciation and amortization.....	\$ 34.4	\$ 28.5
	=====	=====

(8) SUBSEQUENT EVENTS

Acquisition of UT Automotive

On May 4, 1999, UT Automotive, Inc. was acquired by Lear Corporation for approximately \$2.3 billion, subject to certain post-closing adjustments. The combined financial statements do not give effect to this transaction.

Sale of Electric Motor Systems

On May 7, 1999, Lear entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell the recently acquired Electric Motor Systems ("EMS") business for \$310 million, subject

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UT AUTOMOTIVE, INC.
(FORMERLY WHOLLY-OWNED BY UNITED TECHNOLOGIES CORPORATION)

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS -- CONTINUED

to certain post-closing adjustments. Lear acquired the EMS business in the acquisition of UT Automotive. EMS is a supplier of industrial and automotive electric motors and starter motors for small gasoline engines. EMS had 1998 sales of \$351 million and has approximately 3,300 employees operating at locations in 10 countries.

Consummation of the sale is contingent upon expiration or termination of applicable waiting periods provided under the Hart-Scott-Rodino Antitrust Improvements Act, applicable foreign competition act approvals and certain other customary conditions.

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LEAR CORPORATION

\$600,000,000 7.96% SENIOR NOTES DUE 2005

\$800,000,000 8.11% SENIOR NOTES DUE 2009

PROSPECTUS

, 1999

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action. In an action brought to obtain a judgment in the corporation's favor, whether by the corporation itself or derivatively by a stockholder, the corporation may only indemnify for expenses, including attorney's fees, actually and reasonably incurred in connection with the defense or settlement of such action, and the corporation may not indemnify for amounts paid in satisfaction of a judgment or in settlement of the claim. In any such action, no such person shall have been adjudged liable to the corporation except as claim was brought. In any type of proceeding, the indemnification may extend to judgments, fines and amounts paid in settlement, actually and reasonably incurred in connection with such other proceeding, as well as to expenses.

The statute does not permit indemnification unless the person seeking indemnification has acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation and, in the case of criminal actions or proceedings, the person had no reasonable cause to believe his conduct was unlawful. The statute contains additional limitations applicable to criminal actions and to actions brought by or in the name of the corporation. The determination as to whether a person seeking indemnification has met the required standard of conduct is to be made (1) by a majority vote of a quorum of disinterested members of the board of directors, (2) by independent legal counsel in a written opinion, if such a quorum does not exist or if the disinterested directors so direct, or (3) by the stockholders.

Lear's Certificate of Incorporation and Bylaws require Lear to indemnify its directors to the fullest extent permitted under Delaware law. Pursuant to employment agreements entered into by Lear with certain of its executive officers and other key employees, Lear must indemnify such officers and employees in the same manner and to the same extent that, Lear is required to

indemnify its directors under the Lear's Bylaws. Lear's Certificate of Incorporation limits the personal liability of a director to the corporation or its stockholders to damages for breach of the director's fiduciary duty.

Lear has purchased insurance on behalf of its directors and officers against certain liabilities that may be asserted against, or incurred by, such persons in their capacities as directors or officers of the registrant, or that may arise out of their status as directors or officers of the registrant, including liabilities under the federal and state securities laws.

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ITEM 21. EXHIBITS AND FINANCIAL DATA SCHEDULES.

(A) Exhibits

The following is a list of all the exhibits filed as part of the Registration Statement.

EXHIBIT NUMBER -----	EXHIBIT -----
3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 1996).
3.2	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.4 to Lear's Registration Statement on Form S-1 (No. 33-52565)).
*3.3	Certificate of Incorporation of Lear Operations Corporation.
*3.4	By-laws of Lear Operations Corporation.
*3.5	Amended and Restated Certificate of Incorporation of Lear Corporation Automotive Holdings.
*3.6	By-laws of Lear Corporation Automotive Holdings.
4.1	Indenture dated as of July 1, 1996 by and between the Company and the Bank of New York, as trustee, relating to the 9 1/2% Subordinated Notes due 2006 (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 1996).
4.2	Indenture dated as of February 1, 1994 by and between Lear and The First National Bank of Boston, as Trustee, relating to the 8 1/4% Subordinated Notes (incorporated by reference to Exhibit 4.1 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
4.3	Indenture dated as of May 15, 1999, by and among Lear Corporation as Issuer, the Guarantors party thereto from time to time and the Bank of New York as Trustee (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).
*5.1	Opinion of Winston & Strawn.
10.1	Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 4, 1999).
10.2	Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among Lear, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated May

4, 1999).

- 10.3 Employment Agreement dated March 20, 1995 between the Company and Kenneth L. Way (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.4 Employment Agreement dated March 20, 1995 between the Company and Robert E. Rossiter (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.5 Employment Agreement dated March 20, 1995 between the Company and James H. Vandenberghe (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).

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EXHIBIT
NUMBER

EXHIBIT

- 10.6 Employment Agreement dated May 29, 1996 between the Masland Corporation and Dr. Frank J. Preston, (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.7 Employment Agreement dated March 20, 1995 between the Company and Donald J. Stebbins (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.8 Lear's 1992 Stock Option Plan (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1993).
- 10.9 Amendment to Lear's 1992 Stock Option Plan (incorporated by reference to Exhibit 10.26 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
- 10.10 Lear's 1994 Stock Option Plan (incorporated by reference to Exhibit 10.27 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
- 10.11 Masland Holdings, Inc. 1991 Stock Purchase and Option Plan (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K dated June 27, 1996).
- 10.12 Masland Corporation 1993 Stock Option Incentive Plan (incorporated by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K dated June 27, 1995).
- 10.13 Lear's Supplemental Executive Retirement Plan, dated as of January 1, 1995 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.14 Share Purchase Agreement dated as of December 10, 1996, between the Company and Borealis Holding AB, (incorporated by reference to Exhibit 10.23 to the Company's Report on Form 10-K for the year ended December 31, 1996).
- 10.15 Agreement and Plan of Merger dated as of May 23, 1996, by and among the Company, PA Acquisition Corp. and Masland Corporation (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-3 (No. 333-05809)).
- 10.16 Agreement and Plan of Merger dated as of July 16, 1995, among the Company, AIHI Acquisition Corp. and Automotive Industries Holding, Inc. (incorporated by reference to the Exhibit 2.1 to the Company's Current Report on Form 8-K dated August 17, 1995).
- 10.17 Lear Corporation 1996 Stock Option Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1997).
- 10.18 Lear Corporation Long-Term Stock Incentive Plan, as amended and restated (incorporated by reference to Exhibit 10.2 to the Company's quarterly Report on Form 10Q for the quarter ended June 28, 1997).
- 10.19 Lear Corporation Outside Directors Compensation Plan, as

amended and restated (incorporated by reference to Exhibit 10.3 to the Company's quarterly Report on Form 10-Q for the quarter ended June 28, 1997).

- 10.20 Purchase Agreement dated as of May 26, 1997 amend Keiper GmbH & Co., Putsch GmbH & Co. KG, Keiper Recaro GmbH, Keiper Car Seating Verwaltungs GmbH, Lear Corporation GmbH & Co., and Lear Corporation (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1997).
- 10.21 Operating Agreement of Lear Donnelly Overhead Systems, L.L.C. dated as of the 1st day of November, 1997, by and between the Company and Donnelly Corporation, (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).

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EXHIBIT
NUMBER

EXHIBIT

- 10.22 Form of the Lear Corporation Long-Term Stock Incentive Plan Deferral and Restricted Stock Unit Agreement, (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.23 Form of the Lear Corporation 1996 Stock Option Plan Stock Option Agreement, (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.24 Restricted Property Agreement dated as of December 17, 1997 between the Company and Robert E. Rossiter (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.25 Lear Corporation 1992 Stock Option Plan, 3rd amendment dated March 14, 1997 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report of Form 10-K for the year ended December 31, 1997).
- 10.26 Lear Corporation 1992 Stock Option plan, 4th amendment dated August 4, 1997 (incorporated by reference to Exhibit 10.31 to the Company's Annual Report of Form 10-K for the year ended December 31, 1997).
- 10.27 Lear Corporation 1994 Stock Option Plan, Second Amendment effective January 1, 1996, (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.28 Lear Corporation 1994 Stock Option Plan, Third Amendment effective March 14, 1997 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.29 Lear Corporation Long-Term Stock Incentive Plan, Third Amendment effective February 26, 1998 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.30 The Master Sale and Purchase Agreement between General Motors Corporation and the Company, dated August 31, 1998, relating to the sale and purchase of the world-wide seating business operated by The Delphi Interior & Lighting System Division of General Motors Corporation's Delphi Automotive Systems business sector (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.31 Stock Purchase Agreement dated as of March 16, 1999 by and between Nevada Bond Investment Corp. II and Lear Corporation (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated March 16, 1999).
- 10.32 Stock Purchase Agreement, dated as of May 7, 1999, between Lear Corporation and Johnson Electric Holdings Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 7, 1999).
- 10.33 Purchase Agreement dated as of May 13, 1999, among Lear

Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).

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EXHIBIT
NUMBER

EXHIBIT

- 10.34 Registration Rights Agreement dated as of May 18, 1999, among Lear Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc. (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).
- *11.1 Computation of income (loss) per share.
- *12.1 Statement re computation of ratios (Historical).
- *12.2 Statement re computation of ratios (Pro forma).
- **21.1 List of subsidiaries of Lear Corporation.
- *23.1 Consent of Arthur Andersen LLP.
- *23.2 Consent of PricewaterhouseCoopers LLP.
- *23.3 Consent of Deloitte & Touche LLP.
- *23.4 Consent of Winston & Strawn (included in Exhibit 5.1).
- *24.1 Powers of Attorney (included on the signature pages hereof).
- *25.1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 on Form T-1 of The Bank of New York as Trustee under the Indenture.
- *27.1 Financial Data Schedule for the Year Ended December 31, 1998.
- *27.2 Financial Data Schedule for the Quarter Ended April 3, 1999.
- *99.1 Form of Letter of Transmittal.
- *99.2 Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *99.3 Form of Letter to Clients.
- *99.4 Form of Notice of Guaranteed Delivery.

* Filed herewith.
** To be filed by amendment.

(B) Financial Statement Schedules

Schedules are omitted since the information required to be submitted has been included in the Supplemental Consolidated Financial Statements of Lear or the notes thereto, or the required information is not applicable.

ITEM 22. UNDERTAKINGS

The Registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent

post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the

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maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(4) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(5) to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(6) that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Lear Corporation, certifies that it has reasonable grounds to believe that it meets

all of the requirements for filing on Form S-4 and it has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield, State of Michigan, on the 18th day of June, 1999.

Lear Corporation

By: /s/ KENNETH L. WAY

Kenneth L. Way
Chairman of the Board and
Chief Executive Officer

POWER OF ATTORNEY

Each of the undersigned hereby appoints James H. Vandenberghe, Donald J. Stebbins and Joseph F. McCarthy and each of them (with full power to act alone), as attorney and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act any and all amendments and exhibits to this Registration Statement and any and all applications, instruments and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite or desirable.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and as of the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ KENNETH L. WAY ----- Kenneth L. Way	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	June 18, 1999
/s/ ROBERT E. ROSSITER ----- Robert E. Rossiter	President and Chief Operating Officer and Director	June 18, 1999
/s/ JAMES H. VANDENBERGHE ----- James H. Vandenberghe	Vice Chairman of the Board	June 18, 1999
/s/ DONALD J. STEBBINS ----- Donald J. Stebbins	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	June 18, 1999
----- David Bing	Director	
/s/ GIAN ANDREA BOTTA ----- Gian Andrea Botta	Director	June 18, 1999
/s/ IRMA B. ELDER ----- Irma B. Elder	Director	June 18, 1999
/s/ LARRY W. MCCURDY ----- Larry W. McCurdy	Director	June 18, 1999
/s/ ROY E. PARROTT ----- Roy E. Parrott	Director	June 18, 1999

SIGNATURE -----	TITLE -----	DATE ----
/s/ ROBERT W. SHOWER ----- Robert W. Shower	Director	June 18, 1999
/s/ DAVID P. SPALDING ----- David P. Spalding	Director	June 18, 1999
/s/ JAMES A. STERN ----- James A. Stern	Director	June 18, 1999

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Lear Operations Corporation, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and it has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield, State of Michigan, on the 18th day of June, 1999.

Lear Operations Corporation

By: /s/ DONALD J. STEBBINS

Donald J. Stebbins
Vice President and Assistant
Treasurer

POWER OF ATTORNEY

Each of the undersigned hereby appoints Donald J. Stebbins and Joseph F. McCarthy and each of them (with full power to act alone), as attorney and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act any and all amendments and exhibits to this Registration Statement and any and all applications, instruments and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite or desirable.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and as of the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ KENNETH L. WAY ----- Kenneth L. Way	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	June 18, 1999
/s/ JAMES H. VANDENBERGHE ----- James H. Vandenberghe	Executive Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	June 18, 1999
/s/ JOSEPH F. MCCARTHY ----- Joseph F. McCarthy	Vice President, Secretary, General Counsel and Director	June 18, 1999

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Lear Corporation Automotive Holdings, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and it has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield, State of Michigan, on the 18th day of June, 1999.

Lear Corporation Automotive Holdings

By: /s/ DONALD J. STEBBINS

Donald J. Stebbins
Vice President, Chief Financial
Officer
and Assistant Secretary

POWER OF ATTORNEY

Each of the undersigned hereby appoints Donald J. Stebbins and Joseph F. McCarthy and each of them (with full power to act alone), as attorney and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act any and all amendments and exhibits to this Registration Statement and any and all applications, instruments and other documents to be filed with the Securities and Exchange Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite or desirable.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and as of the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ JAMES H. VANDENBERGHE ----- James H. Vandenberghe	President and Director (Principal Executive Officer)	June 18, 1999
/s/ DONALD J. STEBBINS ----- Donald J. Stebbins	Vice President, Chief Financial Officer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	June 18, 1999
/s/ JOSEPH F. MCCARTHY ----- Joseph F. McCarthy	Vice President, Secretary and Director	June 18, 1999
/s/ DOUGLAS G. DELGROSSO ----- Douglas G. DelGrosso	Vice President and Director	June 18, 1999

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EXHIBIT INDEX

EXHIBIT
NUMBER

EXHIBIT

3.1 Restated Certificate of Incorporation of the Company
(incorporated by reference to Exhibit 3.1 to the Company's
Quarterly Report on Form 10-Q for the quarter ended March

- 30, 1996).
- 3.2 Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.4 to Lear's Registration Statement on Form S-1 (No. 33-52565)).
 - *3.3 Certificate of Incorporation of Lear Operations Corporation.
 - *3.4 By-laws of Lear Operations Corporation.
 - *3.5 Amended and Restated Certificate of Incorporation of Lear Corporation Automotive Holdings.
 - *3.6 By-laws of Lear Corporation Automotive Holdings.
 - 4.1 Indenture dated as of July 1, 1996 by and between the Company and the Bank of New York, as trustee, relating to the 9 1/2% Subordinated Notes due 2006 (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 1996).
 - 4.2 Indenture dated as of February 1, 1994 by and between Lear and The First National Bank of Boston, as Trustee, relating to the 8 1/4% Subordinated Notes (incorporated by reference to Exhibit 4.1 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
 - 4.3 Indenture dated as of May 15, 1999, by and among Lear Corporation as Issuer, the Guarantors party thereto from time to time and the Bank of New York as Trustee (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).
 - *5.1 Opinion of Winston & Strawn.
 - 10.1 Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 4, 1999).
 - 10.2 Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among Lear, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated May 4, 1999).
 - 10.3 Employment Agreement dated March 20, 1995 between the Company and Kenneth L. Way (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
 - 10.4 Employment Agreement dated March 20, 1995 between the Company and Robert E. Rossiter (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
 - 10.5 Employment Agreement dated March 20, 1995 between the Company and James H. Vandenberghe (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
 - 10.6 Employment Agreement dated May 29, 1996 between the Masland Corporation and Dr. Frank J. Preston, (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).

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- 10.7 Employment Agreement dated March 20, 1995 between the Company and Donald J. Stebbins (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).

- 10.8 Lear's 1992 Stock Option Plan (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended June 30, 1993).
- 10.9 Amendment to Lear's 1992 Stock Option Plan (incorporated by reference to Exhibit 10.26 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
- 10.10 Lear's 1994 Stock Option Plan (incorporated by reference to Exhibit 10.27 to the Company's Transition Report on Form 10-K filed on March 31, 1994).
- 10.11 Masland Holdings, Inc. 1991 Stock Purchase and Option Plan (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K dated June 27, 1996).
- 10.12 Masland Corporation 1993 Stock Option Incentive Plan (incorporated by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K dated June 27, 1995).
- 10.13 Lear's Supplemental Executive Retirement Plan, dated as of January 1, 1995 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.14 Share Purchase Agreement dated as of December 10, 1996, between the Company and Borealis Holding AB, (incorporated by reference to Exhibit 10.23 to the Company's Report on Form 10-K for the year ended December 31, 1996).
- 10.15 Agreement and Plan of Merger dated as of May 23, 1996, by and among the Company, PA Acquisition Corp. and Masland Corporation (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-3 (No. 333-05809)).
- 10.16 Agreement and Plan of Merger dated as of July 16, 1995, among the Company, AIHI Acquisition Corp. and Automotive Industries Holding, Inc. (incorporated by reference to the Exhibit 2.1 to the Company's Current Report on Form 8-K dated August 17, 1995).
- 10.17 Lear Corporation 1996 Stock Option Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1997).
- 10.18 Lear Corporation Long-Term Stock Incentive Plan, as amended and restated (incorporated by reference to Exhibit 10.2 to the Company's quarterly Report on Form 10Q for the quarter ended June 28, 1997).
- 10.19 Lear Corporation Outside Directors Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.3 to the Company's quarterly Report on Form 10-Q for the quarter ended June 28, 1997).
- 10.20 Purchase Agreement dated as of May 26, 1997 amend Keiper GmbH & Co., Putsch GmbH & Co. KG, Keiper Recaro GmbH, Keiper Car Seating Verwaltungs GmbH, Lear Corporation GmbH & Co., and Lear Corporation (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 1997).
- 10.21 Operating Agreement of Lear Donnelly Overhead Systems, L.L.C. dated as of the 1st day of November, 1997, by and between the Company and Donnelly Corporation, (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.22 Form of the Lear Corporation Long-Term Stock Incentive Plan Deferral and Restricted Stock Unit Agreement, (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.23 Form of the Lear Corporation 1996 Stock Option Plan Stock Option Agreement, (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).

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- 10.24 Restricted Property Agreement dated as of December 17, 1997

- between the Company and Robert E. Rossiter (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.25 Lear Corporation 1992 Stock Option Plan, 3rd amendment dated March 14, 1997 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report of Form 10-K for the year ended December 31, 1997).
- 10.26 Lear Corporation 1992 Stock Option plan, 4th amendment dated August 4, 1997 (incorporated by reference to Exhibit 10.31 to the Company's Annual Report of Form 10-K for the year ended December 31, 1997).
- 10.27 Lear Corporation 1994 Stock Option Plan, Second Amendment effective January 1, 1996, (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.28 Lear Corporation 1994 Stock Option Plan, Third Amendment effective March 14, 1997 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.29 Lear Corporation Long-Term Stock Incentive Plan, Third Amendment effective February 26, 1998 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.30 The Master Sale and Purchase Agreement between General Motors Corporation and the Company, dated August 31, 1998, relating to the sale and purchase of the world-wide seating business operated by The Delphi Interior & Lighting System Division of General Motors Corporation's Delphi Automotive Systems business sector (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.31 Stock Purchase Agreement dated as of March 16, 1999 by and between Nevada Bond Investment Corp. II and Lear Corporation (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated March 16, 1999).
- 10.32 Stock Purchase Agreement, dated as of May 7, 1999, between Lear Corporation and Johnson Electric Holdings Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 7, 1999).
- 10.33 Purchase Agreement dated as of May 13, 1999, among Lear Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).
- 10.34 Registration Rights Agreement dated as of May 18, 1999, among Lear Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc. (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 3, 1999).
- *11.1 Computation of income (loss) per share.
- *12.1 Statement re computation of ratios (Historical).
- *12.2 Statement re computation of ratios (Pro forma).
- **21.1 List of subsidiaries of Lear Corporation.
- *23.1 Consent of Arthur Andersen LLP.
- *23.2 Consent of PricewaterhouseCoopers LLP.

- *23.3 Consent of Deloitte & Touche LLP.
- *23.4 Consent of Winston & Strawn (included in Exhibit 5.1).
- *24.1 Powers of Attorney (included on the signature pages hereof).
- *25.1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 on Form T-1 of The Bank of New York as Trustee under the Indenture.
- *27.1 Financial Data Schedule for the Year Ended December 31, 1998.
- *27.2 Financial Data Schedule for the Quarter Ended April 3, 1999.
- *99.1 Form of Letter of Transmittal.
- *99.2 Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *99.3 Form of Letter to Clients.
- *99.4 Form of Notice of Guaranteed Delivery.

- * Filed herewith.
- ** To be filed by amendment.

CERTIFICATE OF INCORPORATION

OF

LEAR OPERATIONS CORPORATION

ARTICLE I

The name of the Corporation is:

LEAR OPERATIONS CORPORATION

ARTICLE 2

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at that address is The Corporation Trust Company.

ARTICLE 3

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law").

ARTICLE 4

4.1 The total number of shares of stock which the Corporation shall have authority to issue is 1000 shares of Common Stock, each having a par value of \$.01 (the "Common Stock").

4.2 Each holder of record of shares of Common Stock shall be entitled to vote at all meetings of the stockholders and shall have one vote for each share held by him or her of record.

4.3 Subject to all of the rights of the holders of all classes or series of stock at the time outstanding having prior rights as to dividends, the holders of the common Stock shall be entitled to receive dividends at such times and in such amounts as may be determined by the Board of Directors of the Corporation.

ARTICLE 5

The name of the incorporator is Joseph F. McCarthy. The address of the incorporator is 21557 Telegraph Road, Southfield, Michigan 48034.

ARTICLE 6

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(b) The Board of Directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

(c) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(d) At each annual meeting of the stockholders, directors

shall be elected for a one-year term. If the number of directors is decreased, such decrease shall not shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his or her term expires, and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement or removal from office.

(e) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit.

(f) In addition to the powers and authority by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the Delaware General Corporation Law and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

ARTICLE 7

The Corporation shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, an action by or in the right of the

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Corporation), by reason of his acting as a director of the Corporation (and the Corporation, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an officer or employee of the Corporation or is or was serving at the request of the Corporation in any other capacity for or on behalf of the Corporation) against any liability or expense actually or reasonably incurred by such person in respect thereof; provided, however, that the Corporation shall not be obligated to indemnify any such person: (i) with respect to proceedings, claims or actions initiated or brought voluntarily without the authorization or consent of the Corporation by such person and not by way of defense; or (ii) for any amounts paid in settlement of an action effected without the prior written consent of the corporation to such settlement. Such indemnification is not exclusive of any other right of indemnification, provided by law, agreement or otherwise.

ARTICLE 8

No amendment to or repeal to Articles 6(f) or 7 of this Certificate of Incorporation shall apply to or have any effect on the rights of any individual referred to in Articles 6(f) or 7 for or with respect to acts or omissions of such individual occurring prior to such amendment or repeal.

ARTICLE 9

Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the Delaware General Corporation Law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

ARTICLE 10

No stockholder of the Corporation shall by reason of holding shares of any class of stock have any pre-emptive or preferential right to

purchase or subscribe of any shares to any class of stock of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any case of such stock, now or hereafter to be authorized, whether or not the issuance of any such shares, or such notes, debentures, bonds or other securities would adversely affect the dividend or voting rights of such stockholder, other than such rights, if any, as the Board of Directors, in its discretion from time to time, may grant and at such price as the Board of Directors in its discretion may fix; and the Board of Directors may issue shares of any class of stock of the Corporation, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class of such stock, without offering any such shares of any class, either in whole or in part, to the existing stockholders of any class of such stock.

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ARTICLE 11

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware my, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the Delaware General Corporation Law or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the Delaware General Corporation Law, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE 12

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 12th day of December, 1995.

/s/ Joseph F. McCarthy

Joseph F. McCarthy
Sole Incorporator

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CERTIFICATE OF MERGER
MERGING
ASAA, INC.,
CAPITOL PLASTICS OF OHIO, INC.,
AND
MASLAND SPECIALTY TECHNOLOGIES, INC.
WITH AND INTO
LEAR OPERATIONS CORPORATION

PURSUANT TO SECTION 252 OF THE GENERAL
CORPORATION LAW OF THE STATE OF DELAWARE

Lear Operations Corporation, a Delaware corporation, (the "Corporation"), ASAA, Inc., a Wisconsin corporation ("ASAA"), Capitol Plastics of Ohio, Inc., an Ohio corporation ("Capitol Plastics"), Masland Specialty Technologies, Inc., a Delaware corporation ("Masland Specialty" and together with ASAA and Capitol Plastics, the "Terminating Corporations"), do hereby certify to the following facts relating to the merger (the "Merger") of the Terminating Corporations with and into the Corporation, with the Corporation remaining as the surviving corporation (the "Surviving Corporation"):

FIRST: The names and states of incorporation of each of the constituent corporations of the Merger are Lear Operations Corporation which is incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL") the provisions of which permit the merger of a corporation organized and existing under the DGCL and the merger of a corporation organized and existing under the laws of the DGCL or another state to be merged into a corporation organized and existing under the DGCL, Capitol Plastics of Ohio, Inc. which is incorporated pursuant to the General Corporation Law of the State of Ohio (the "OGCL") the provisions of which permit the merger of a corporation organized and existing under the OGCL into a corporation organized under the laws of another state, ASAA, Inc. which is incorporated pursuant to the Business Corporation Law of the State of Wisconsin (the "WBCL") the provisions of which permit the merger of a corporation organized under the WBCL into a corporation organized under the laws of another state and Masland Specialty Technologies, Inc. which is incorporated pursuant to the DGCL.

SECOND: That the Agreement and Plan of Merger (the "Agreement") between the parties to the Merger has been approved, adopted, certified, executed and acknowledged by each of the Surviving Corporation and the Terminating Corporations in accordance with the requirements of Section 252 of the DGCL, Section 1103 of the WBCL and Section 1701.79 of the OGCL.

THIRD: That the name of the corporation surviving the merger is Lear Operations Corporation, a Delaware corporation.

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FOURTH: That the Certificate of Incorporation of the Corporation shall continue in full force and effect as the articles of Incorporation of the Surviving Corporation.

FIFTH: That the executed Agreement is on file at the principal place of business of the Surviving Corporation, the address of which is 21557 Telegraph Road, Southfield, Michigan 48086-5008.

SIXTH: That a copy of the Agreement will be furnished, on request and without cost, to any stockholder of any of the Surviving Corporation or the Terminating Corporations.

SEVENTH: That ASAA, prior to and up until the effective date of the Merger, had authorized capital stock of 2,800 shares without par value and that Capitol Plastics, prior to and up until the effective date of the Merger, had authorized capital stock of 10,000 shares without par value.

EIGHTH: That pursuant to Section 251(d) of the DGCL, Section 1800.1103(6) of the WBCL, Section 1701.79(E) of the OGCL and the Agreement and Plan of Merger authorizing the Merger, the Boards of Directors of the Corporation or the Terminating Corporation may terminate the Merger at any time before the filing of the Certificate of Ownership and Merger with the Secretary of the State of Delaware or the Articles of Merger with the Wisconsin Department of Financial Institutions.

NINTH: That pursuant to Section 103(d) of the DGCL. the Merger shall become effective as of 11:59 P.M. Delaware and Ohio time (10:59 P.M. Wisconsin time) on December 31, 1997.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, pursuant to the approval and authority duly given by resolutions adopted by the Board of Directors of Lear Operations Corporation this 12th day of December, 1997.

LEAR OPERATIONS CORPORATION

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, Secretary
and General Counsel

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CERTIFICATE OF MERGER

MERGING

EURO-AMERICAN SEATING, L.L.C.
(a Delaware limited liability company)

INTO

LEAR OPERATIONS CORPORATION
(a Delaware corporation)

CERTIFICATE OF MERGER (this "Certificate") made as of June 30, 1998, by Lear Operations Corporation, a corporation organized and existing under the laws of Delaware (the "Company" or the "Surviving Corporation") for the merger of Euro-American Seating, L.L.C., a Delaware limited liability company (the "Terminating Company"), with and into the Company (the "Merger") .

THE COMPANY DOES HEREBY CERTIFY:

FIRST: That the names and states of incorporation or formation, as the case may be, of each of the constituent corporation or limited liability company, as the case may be, of the Merger are Lear Operations Corporation, which was incorporated on the 12th day of December, 1995 pursuant to the General Corporation Law of the State of Delaware (the "Delaware GCL") and Euro-American Seating, L.L.C., which limited liability company was formed on the 21st day of December, 1995 pursuant to the Limited Liability Company Act of the State of Delaware (the "Delaware LLCA").

SECOND: That an Agreement and Plan of Merger (the "Agreement") between the parties to the Merger has been approved, adopted, certified, executed and acknowledged by each of the Surviving Corporation and the Terminating Company in accordance with the requirements of Section 264 of the Delaware GCL and Section 18-209 of the Delaware LLCA, respectively.

THIRD: That the name of the surviving corporation of the Merger is Lear Operations Corporation, a Delaware corporation.

FOURTH: That the Certificate of Incorporation of the Company shall continue in full force and effect as the Certificate of Incorporation of the corporation surviving the Merger.

FIFTH: That the executed Agreement is on file at the principal place of business of the surviving Corporation, the address of which is 21557 Telegraph Road, P.O. Box 5008, Southfield, Michigan 48086-5008.

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SIXTH: That a copy of the Agreement will be furnished, on request and without cost, to any stockholder or holder of a limited liability company interest, as the case may be, of either the surviving corporation or the Terminating Company.

SEVENTH: That this Certificate of merger shall be effective upon the date of its filing.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered by its respective officers thereunto duly authorized, all as of the day and year first written above.

LEAR OPERATIONS CORPORATION

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy

Title: V.P., Secretary & General Counsel

Attest:

By:

EURO-AMERICAN SEATING, L.L.C.

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCARTHY

Title: V.P., Secretary & General Counsel

Attest:

By:

BY-LAWS
OF
LEAR OPERATIONS CORPORATION
(hereinafter called the "Corporation")

ARTICLE I
OFFICES

Section 11. Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 1.2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2. Annual Meetings. The Annual Meetings of stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated

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in the notice of the meeting, at which meetings the stockholders shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

Section 2.3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of stockholders, for any purpose or purposes, may be called by either (i) the Chairman, if there be one, or (ii) the President, (iii) any Vice President, if there be one, (iv) the Secretary or (v) any Assistant Secretary, if there be one, and shall be called by any such officer at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning at least a majority of the capital stock of the Corporation issued and outstanding and entitled to vote.

Section 2.4. Waiver of Notice. Notice of the time, place and purpose or purposes of any meeting of stockholders may be waived by a written waiver thereof, signed by the person entitled to notice. Such waiver, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 2.5. Record Date. In order that the Corporation may determine the stockholders entitled to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not precede the date upon which the resolution

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fixing the record date is adopted, and which shall be (i) not more than 60 nor

less than 10 days before the date of a meeting, and (ii) not more than 60 days prior to the other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for any adjourned meeting.

Section 2.6. List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present.

Section 2.7. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 2.8. of this Article II or the books of the Corporation, or to vote in person or by proxy at a meeting of stockholders.

Section 2.8. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of

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the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 2.9. Voting. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the stock represented and entitled to vote thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of applicable law, the Certificate of Incorporation or these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 2.10. Proxy. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be

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substituted, or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that, such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. All voting, excepting where otherwise required by law, the Certificate of Incorporation or the Board of Directors may be by a voice vote.

Section 2.11. Chairman of Meeting. The Chairman of the Board of Directors shall preside at all meetings of the stockholders. In the absence or inability to act of the Chairman, the Vice Chairman, the Chief Executive Officer, the President or a Vice President (in that order) shall preside, and in their absence or inability to act another person designated by one of them shall preside. The Secretary of the Corporation shall act as secretary of each meeting of the stockholders. In the event of his absence or inability to act, the chairman of the meeting shall appoint a person who need not be a stockholder to act as secretary of the meeting.

Section 2.12. Conduct of Meetings. Meetings of the stockholders shall be conducted in a fair manner but need not be governed by any prescribed rules of order. The presiding officer's rulings on procedural matters shall be final. The presiding officer is authorized to impose reasonable time limits on the remarks of individual stockholders and may take such steps as such officer may deem necessary or appropriate to assure that the business of the meeting is conducted in a fair and orderly manner.

Section 2.13. Action Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of

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outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

Section 3.1. Duties and Number of Directors. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than one (1) nor more than eleven (11) directors. The exact number shall be determined from time to time by resolution adopted by the affirmative vote of a majority of the directors in office at the time of adoption of such resolution.

Section 3.2. Resignation, Removal and Vacancies. Each director shall hold office until his or her successor is elected and qualified, subject, however, to his or her prior death, resignation, retirement or removal from office. Any director may resign at any time upon written notice to the Corporation directed to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Any director or the entire Board of Directors may be removed, either with or without cause, by the vote of the holders of at least a majority of shares of capital stock then entitled to vote at an election of directors. Unless otherwise provided by the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the vote of a majority of

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the directors then in office Provided that a quorum is present, and any other vacancy occurring in the Board of Directors may be filled by a majority of the directors then in office, even if less than a quorum, unless otherwise provided

in the Certificate of Incorporation.

Section 3.3. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

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MEETINGS OF THE BOARD OF DIRECTORS

Section 3.4. General. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Members of the Board of Directors may participate in any such meeting by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

Section 3.5. Special Meetings. Special Meetings of the Board of Directors may be called by the Chairman of the Board of Directors or the President either personally, or by courier, telephone, telefax, mail or telegram. Special Meetings shall be called by the Chairman or President in like manner and on like notice at the written request of a majority of the directors comprising the Board of Directors stating the purpose or purposes for which such meeting is requested.

Section 3.6. Quorum. At all meetings of the Board of Directors a majority of the then duly elected directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.7. Action Without a Meeting. Unless otherwise provided by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or any committee designated by the Board of Directors may be taken without a meeting if all

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writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

Section 3.8. Chairman of the Meeting. Meetings of the Board of Directors shall be presided over by the Chairman, if any, or in his absence by the Vice Chairman, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as

secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

COMMITTEES OF DIRECTORS

Section 3.9. General. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, and in the absence or a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent allowed by law and provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation.

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Section 3.10. Meeting. Each committee shall keep regular minutes of its meetings and shall file such minutes and all written consents executed by its members with the Secretary of the Corporation. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; a majority of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of such committee. Members of any committee of the Board of Directors may participate in any meeting of such committee by means of conference telephone or similar communications equipment by means of which all persons participating may hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

COMPENSATION OF DIRECTORS

Section 3.11. General. In the discretion of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors. In addition, in the discretion of the Board of Directors, the directors may receive a stated salary for serving as directors or any other form of compensation deemed appropriate. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of

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special or standing committees may be allowed like compensation for serving on or attending committee meetings.

ARTICLE IV

OFFICERS

Section 4.1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may also choose a Chairman of the Board of Directors (who must be a director) and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The

officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 4.2. Election. The Board of Directors shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation directed to the Board of Directors and the Secretary. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. The Board of Directors may remove any officer or agent with or without cause at any time by the affirmative vote of a majority of the Board of Directors. Any such

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removal shall be without prejudice to the contractual rights of such officer or agent, if any, with the Corporation, but the election of an officer or agent shall not of itself create any contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 4.3. Voting Securities Owned by the Corporation. Notwithstanding anything to the contrary contained herein, powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice President and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4.4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. In the absence or disability of the Chief Executive Officer, the Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation, and except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman

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of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 4.5. Chief Executive Officer. The Chief Executive Officer shall be the principal executive officer of the Corporation. The Chief Executive Officer, except where by law the signature of the President is required, shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President and the Chairman of the Board of Directors, the Chief Executive officer shall exercise all the powers and discharge all the duties of the President. The Chief Executive Officer shall also perform such other duties and may exercise such other powers

as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 4.6. President. The President shall, subject to the control of the Board of Directors, the Chairman of the Board of Directors, if there be one, and the Chief Executive Officer, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, if there be one, and the Chief Executive Officer, the President shall preside

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at all meetings of the stockholders and the Board of Directors. If there be no Chairman of the Board of Directors or Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 4.7. Senior Vice Presidents and Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors or Chief Executive Officer), the Senior Vice President and Vice President or the Senior Vice Presidents and Vice Presidents if there are more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Senior Vice President and Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors, no Chief Executive Officer, no Senior Vice President and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 4.8. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing and special committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and Special Meetings of the Board of Directors, and, shall perform such other duties as may be prescribed by the Board of Directors or Chief Executive Officer, under

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whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and Special Meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the Chief Executive Officer may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 4.9. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of

receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death,

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resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 4.10. Assistant Secretaries. Except as may be otherwise provided in these By-Laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President, any Senior Vice President or Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall, have all the powers of and be subject to all the restrictions upon the Secretary.

Section 4.11. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President, any Senior Vice President or Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 4.12. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by

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the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

Section 5.1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the Chief Executive Officer, the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such person in the Corporation.

Section 5.2. Signatures. Where a certificate is countersigned by (i) a transfer agent other than the Corporation or its employee, or (ii) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar

who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 5.3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the

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owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person or persons entitled thereto, cancel the old certificate and record the transaction upon its books.

ARTICLE VI

NOTICES

Section 6.1. Notices. Whenever written notice is required by law to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex, telecopy, facsimile or cable.

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Section 6.2. Waivers of Notice. Whenever any notice is required by law to be given to any director, member of a committee or stockholder, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or Special Meeting, and may be paid in cash, in property, or in shares of the capital stock or rights to acquire the same. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 7.2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

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Section 7.4. Corporate Seal. The Corporation may have a corporate seal which shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 8.3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in

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a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had reasonable cause to believe that his conduct was unlawful.

Section 8.2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 8.3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 8.3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the

Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper

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in the circumstances because he has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2 of this Article VIII, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 8.4. Good Faith Defined. For purposes of any determination under this Article VIII, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation at another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 8.4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as

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a director, officer, employee or agent. The provisions of this Section 8.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 8.1 or 8.2 of this Article VIII, as the case may be.

Section 8.5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 8.3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 8.1 and 8.2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Section 8.1 or 8.2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 8.3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director, officer, employee or agent seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 8.5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director, officer, employee or agent seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 8.6. Expenses Payable in Advance. Expenses incurred by a director or officer in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an

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undertaking by or on behalf of such director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VIII.

Section 8.7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 8.1 and 8.2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 8.1 or 8.2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise.

Section 8.8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director, officer, employee or agent of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VIII.

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Section 8.9. Certain Definitions. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director or officer of such constituent corporation, or is or was a director, officer, employee or agent of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 8.10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII

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shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.11. Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to

enforce rights to indemnification (which shall be governed by Section 8.5 hereof), the Corporation shall not be obligated to indemnify any director, officer, employee or agent in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 8.12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

Section 8.13. No amendment to or repeal of this Article VIII shall apply to or have any effect on the rights of any person for or with respect to acts or omissions of such person occurring prior to such amendment or repeal.

ARTICLE IX

AMENDMENTS

Section 9.1. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors, provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors as the case may be. All such

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amendments must be approved by either the holders of a majority of the outstanding capital stock entitled to vote thereon or by a majority of the entire Board of Directors then in office.

Section 9.2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the corporation would have if there were no vacancies.

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AMENDED AND
 RESTATED
 CERTIFICATE OF INCORPORATION
 OF
 UT AUTOMOTIVE, INC

Pursuant to Sections 242 and 245

of the General Corporation Law of the State of Delaware

 Original Certificate of Incorporation filed
 with the Secretary of State of the State
 of Delaware on April 5, 1978
 and the name under which the Corporation
 was originally incorporated as UTA Corporation

FIRST: The name of the corporation is UT AUTOMOTIVE, INC. (the "Corporation").

SECOND: The registered office or place of business of the Corporation in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent is The Corporation Trust company and the address of the said registered agent is Corporation Trust Center, 1209 Orange Street, in the said City of Wilmington.

THIRD: The nature of the business of, and objects or purposes to be transacted, promoted or carried on by, the Corporation are those necessary to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock of all classes which the Corporation shall have authority to issue is 131,700,000 shares, of which 5,000,000 shares shall be Preferred stock, with no par value (hereinafter called "Preferred Stock"), 100,000,000 shares shall be Class A Common Stock of the par value of \$0.01 each (hereinafter called Class A Common Stock"), and 26,700, 000 shares shall be Class B Common Stock of the par value of \$0.01 each (hereinafter called "Class B Common Stock, and together with Class A Common Stock "Common Stock").

The designations and the powers, preferences and rights and the qualifications, limitations or restrictions thereof of the shares of each class of capital stock of the Corporation are as follows:

1. The Preferred Stock may be issued from time to time in one or more series, the shares of each series to have such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed herein or in the resolution or resolutions providing for the issue of such series, adopted by the Board of Directors as hereinafter provided,

2. Authority is hereby expressly granted to the Board of Directors of the Corporation, subject to the provisions of this Article Fourth and to the limitations prescribed by law, to authorize the issuance of one or more series of Preferred Stock and with respect to each such series to fix by resolution or resolutions providing for the issuance of such series the voting powers, full or limited, if any, of the shares of such series and the designations, preferences and relative, participating, optional or other special rights and the qualifications, limitations or restrictions thereof. The authority of

the Board of Directors with respect to each series shall include, but not be limited to, the determination or fixing of the following:

- (a) The designation of such series.
- (b) The dividend rate of such series, the conditions and dates upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock, and whether such dividends shall be cumulative or non-cumulative.
- (c) The extent, if any, to which the holders of the shares of such series shall be entitled to vote with respect to the election of directors or otherwise.
- (d) Whether or not the shares of such series shall be convertible into or exchangeable for shares of any other class or classes or of any other series of any class or classes of stock of the Corporation, and, if provision be made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange.
- (e) Whether the shares of such series shall be subject to redemption by the Corporation and, if made subject to such redemption, the times, prices and other terms and conditions of such redemption.
- (f) The terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series.

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- (g) The rights of the holders of the shares of such series upon the dissolution of, or upon the distribution of assets of, the Corporation.
- (h) The restrictions, if any, on the issue or re-issue of any additional classes of Preferred Stock.

3. Except as otherwise required by law and except for such voting powers with respect to the election of directors or other matters as may be stated in the resolution or resolutions of the Board of Directors providing for the issue of any series of Preferred Stock, the holders of any such series of Preferred Stock shall have no voting power whatsoever. Subject to such restrictions as may be stated in the resolution or resolutions of the Board of Directors providing for the issue of any series of Preferred Stock, any amendment to the Certificate of Incorporation which shall increase or decrease the authorized stock of any class or classes may be adopted by the affirmative vote of the holders of a majority of the outstanding shares of the voting stock of the Corporation.

4. Class A Common Stock and Class B Common Stock shall be identical in all respects and shall have equal powers, rights and privileges, except as otherwise expressly provided herein. The relative powers, preferences, rights, qualifications, limitations and restrictions of the shares of each of the classes of Common Stock are as follows:

- (a) Cash or Property Dividends. Subject to the rights and preferences of the Preferred Stock as set forth in any resolution or resolutions of the Board of Directors providing for the issuance of such stock pursuant to Section 2 of this Article Fourth, and except as otherwise provided for herein, the holders of Class A Common Stock and Class B Common Stock shall be entitled to receive ratably cash or property dividends as may from time to time be declared by the Board out of funds legally available therefore.
- (b) Stock-Dividends. If at any time a dividend is to be

paid in shares of Class B Common Stock or shares of Class A Common Stock (a "stock dividend"), such stock dividend may be declared and paid only as follows: Class A Common Stock may be paid only to holders of Class A Common Stock and Class B Common Stock may be paid only to holders of Class B Common Stock, and whenever a stock dividend is paid, the same rate or ratio of shares shall be paid in respect of each outstanding share of Class A Common Stock or Class B Common Stock.

(c) Stock Subdivisions and Combinations. The Corporation shall not subdivide, reclassify or combine stock of any class of Common Stock without at the same time making a proportionate subdivision or combination of the other class.

(d) Voting. Voting power shall be divided between classes of stock as follows:

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(1) With respect to the election of directors, holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent that holders of Preferred Stock are entitled to vote in accordance with Section 2 (c) of this Article Fourth and not otherwise required by law to vote as a separate class) voting together shall be entitled to elect that number of directors which constitutes 20% of the authorized number of members of the Board and, if such 20% is not a whole number, then the holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) voting together shall be entitled to elect the nearest lower whole number of directors that is closest to 20% of such membership. Holders of Class B Common Stock shall be entitled to elect the remaining directors.

(2) Holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) shall be entitled to vote together on the removal, with or without cause, of any director elected by the holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) . Holders of Class B Common Stock shall be entitled to vote on the removal, with or without cause, of any director elected by the holders of Class B Common Stock.

(3) Except as specified herein, the holders of the Class A Common Stock and the holders of the Class B Common Stock shall be entitled to vote as separate classes only when required by law to do so or as provided herein.

(4) Any vacancy in the office of a director created by the death, resignation or removal of a director elected by the holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) may be filled by a vote of holders of Class A Common Stock and holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) voting together. Any vacancy in the office of a director created by the death, resignation or removal of a director elected by the holders of Class B Common Stock may be filled by a vote of holders of Class B Common Stock. Notwithstanding anything in this Section (d) to the contrary, any vacancy in the office of a director may be filled by the vote of the majority of the directors (or director) elected by the same class or classes of stock that elected that director whose death, resignation or removal created the vacancy, or in the event that there are no such directors, by the vote of the majority of the other directors or by the sole remaining director, regardless, in each instance, of any quorum requirements set out in the Bylaws. Any director elected by some or all of the

directors or by the

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stockholders to fill a vacancy shall serve until the next Annual meeting of Stockholders and until his or her successor has been elected and has qualified unless removed and replaced pursuant to this subsection (d)(4). The Board may increase the number of directors and any newly-created directorship so created may be filled by the Board, provided that the Board may be so enlarged by the Board only to the extent that 20%, or, if such 20% is not a whole number, then the nearest lower whole number of directors that is closest to 20%, of such membership of the enlarged Board consists of directors elected by the holders of Class A Common Stock and the holders of any series of Preferred Stock (to the extent they are entitled to vote thereon) or by the vote of the majority of the directors (or director) elected by the holders of Class A Common Stock and the holders of any series of Preferred Stock (to the extent they are entitled to vote thereon).

(5) Holders of Class A Common Stock and Class B Common Stock shall in all matters not otherwise specified in this Section (d) vote together, with each share of Class A Common Stock and Class B Common Stock having one vote.

(6) Notwithstanding anything in this Section (d) to the contrary, the holders of Class A common Stock shall have exclusive voting power (except for voting powers, if any, of any series of Preferred Stock) on all matters at any time when no Class B Common stock is issued and outstanding, and the holders of Class B Common Stock shall have exclusive voting power on all matters at any time when no Class A Common Stock is issued and outstanding.

(e) Conversion. (1) Subject to the provisions of this Article Fourth, each holder of record of Class B Common Stock may at any time prior to the first 355 Transaction (as defined in paragraph 4(e)(2) of this Article Fourth) to occur or from time to time before the first 355 Transaction to occur, in such holder's sole discretion and at such holder's option, convert any whole number or all of such holder's shares of Class B Common Stock into shares of Class A Common Stock at the rate of one share of Class A Common Stock for each share of Class B Common Stock surrendered for conversion. Any such conversion may be effected by any holder of Class B Common Stock surrendering such holder's certificate or certificates representing the Class B Common Stock to be converted, duly endorsed, at the office of the Corporation or any transfer agent for the Class B Common Stock, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of shares of Class B Common Stock and stating the name or names in which such holder desires the certificate or certificates representing such Class A Common Stock to be issued. Promptly thereafter, the corporation shall issue and deliver to such holder, or such holder's nominee or nominees, a certificate

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or certificates representing the number of shares of Class A Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made at the close of business at the date of such surrender and the person or persons entitled to receive the Class A Common Stock issuable on such conversion shall be treated for all purposes as the record holder or holders of such Class A Common Stock as of the close of business on that date.

(2) Any shares of Class B Common Stock sold,

transferred or otherwise disposed of by United Technologies Corporation ("UTC") or any subsidiary that is directly or indirectly wholly-owned by UTC (a "Permitted Transferee") shall automatically convert to shares of Class A Common Stock on a share for share basis upon such disposition, except (i) for a disposition to UTC or a Permitted Transferee; and (ii) for any distribution to the shareholders of UTC as part of a transaction intended to qualify as a tax free transaction under section 355 of the Internal Revenue Code, as such section may be amended or modified from time to time (a "355 Transaction"). In addition, if any Person other than UTC acquires any shares of Class B Common Stock and such shares are not converted as a result of subparagraph 4(e)(2)(i), any such shares owned by such Person shall automatically convert to shares of Class A Common Stock on a share for share basis at such time, if any, that such Person ceases to be a Permitted Transferee.

(3) Except as described in paragraph 4(e)(4) and 4(e)(5) of this Article Fourth, and notwithstanding any other provision of this Article Fourth, in the event of a 355 Transaction, shares of Class B Common Stock shall not be convertible into shares of Class A Common Stock for a period of five years commencing on the effective date of such 355 Transaction. Upon the expiration of the aforementioned five year period, all shares of Class B Common Stock shall automatically convert on a share for share basis to shares of Class A Common Stock.

(4) From and after the distribution of shares of Class B Common Stock to the shareholders of UTC as a part of a 355 Transaction:

(a) all Excess Shares, as defined herein, of Class B Common Stock acquired by any Person, as defined herein, shall automatically convert to shares of Class A Common Stock on a share for share basis immediately upon such acquisition. For the purposes of this section, a "Person" shall be any natural person or persons, corporation, partnership, government, or any political subdivision, agency or instrumentality of a government, or other entity, except for a Permitted Transferee. For the purposes of this section, an acquisition of shares of Class B Common Stock hereunder shall be deemed to include any such shares that a Person acquires, directly

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or indirectly, in one transaction or in a series of transactions, or with respect to which the Person has acquired a beneficial interest.

(b) The number of shares of Class B Common Stock deemed hereunder to be Excess Shares of Class B Common Stock shall be determined by application of the following formula:

(i) the percentage which the number of shares of Class B Common Stock acquired by the Person after the first 355 Transaction (disregarding any shares of Class B Common Stock received by such Person as part of a 355 Transaction) to occur bears to the aggregate number of outstanding shares of Class B Common Stock at the time of such acquisition;

(ii) minus 15%;

(iii) minus the percentage which the number of shares of Class A Common Stock acquired by that Person after

the first 355 Transaction to occur bears to the aggregate number of outstanding shares of Class A Common Stock at the time of such acquisition;

(iv) times the aggregate number of outstanding shares of Class B Common Stock.

For purposes of this determination, any shares of Class A Common Stock or of Class B Common Stock repurchased by the Corporation since the last date on which a Person acquired any shares of Class A Common Stock or of Class B Common Stock (whether in treasury or retired) shall be deemed still to be outstanding.

(c) An acquisition of shares of Class B Common Stock shall not include for the purposes of this subsection (4) an acquisition upon issuance or sale by the Corporation, by operation of law, by will or the laws of descent and distribution, by gift, by foreclosure of a bona fide loan or upon a purchase from the foreclosing pledgee.

(d) Unless there are affirmative attributes of beneficial ownership, acting or agreeing to act in concert with any other Person shall not include for purposes of this subsection (4) actions taken or agreed to be taken by Persons acting in their official capacities as directors or officers of the Corporation or actions by Persons merely because they are related by blood or marriage.

(5) Notwithstanding any other provision of this Certificate of Incorporation, all shares of Class B Common Stock shall convert automatically into shares of Class A Common Stock on a share for share

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basis if the number of issued and outstanding shares of Class B Common Stock is ever below 25% of the aggregate number of issued and outstanding shares of Class A Common Stock as of the date of the initial public issuance of the Class A Common Stock, and issued and outstanding shares of Class B Common Stock,

(6) Authorized but unissued shares of Class A Common Stock, to the extent that such stock may be necessary to meet any exercise of the conversion privilege or automatic conversion of issued and outstanding Class B Common Stock, shall be held by the Corporation, without the necessity of a declaration by the Board of Directors, in reserve, to be issued in satisfaction of the conversion privilege of the issued and outstanding Class B Common Stock. No Class E Common Stock may be issued unless the authorized but unissued and unreserved shares of Class A Common Stock are sufficient to satisfy the conversion privilege which will exist with respect to such Class B Common Stock when issued and outstanding.

(f) Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of the Class A Common Stock and the holders of Class B Common Stock shall participate equally per share in any distribution to stockholders, without distinction between classes.

5. No holder of stock of any class of stock of the Corporation shall as such holder have under this Certificate of Incorporation any preemptive or preferential right of subscription to any stock of any class of stock of the Corporation or to any obligations convertible into stock of the Corporation, issued or sold, or to any right of subscription to, or to any warrant or option for the purchase of any

thereof.

6. Except as otherwise stated in this Certificate of Incorporation, the Corporation may from time to time issue and dispose of any of the authorized and unissued shares of Common Stock or of Preferred Stock for such consideration, not less than its par value, as may be fixed from time to time by the Board of Directors, without action by the stockholders. The Board of Directors may provide for payment therefor to be received by the Corporation in cash, property or services. Any and all such shares of the Preferred or Common Stock of the Corporation the issuance of which has been so authorized, and for which consideration so fixed by the Board of Directors has been paid or delivered, shall be deemed full paid stock and shall not be liable to any further call or assessment thereon.

FIFTH: The minimum amount of capital with which the Corporation will commence business is One Thousand Dollars.

SIXTH: The Corporation is to have perpetual existence.

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SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts.

EIGHTH: Subject to the provisions of the laws of the state of Delaware, the following provisions are adopted for the management of the business and for the conduct of the affairs of the Corporation, and for defining, limiting and regulating the powers of the Corporation, the directors and the stockholders:

(a) The books of the Corporation may be kept outside the State of Delaware at such place or places as may, from time to time, be designated by the Board of Directors.

(b) The business of the Corporation shall be managed by its Board of Directors; and the Board of Directors shall have power to exercise all the powers of the Corporation, including (but without limiting the generality hereof) the power to create mortgages upon the whole or any part of the property of the Corporation, real or personal, without any action of or by the stockholders, except as otherwise provided by statute or by the Bylaws.

(c) Subject to the provisions of Article Fourth of this Certificate of Incorporation, the number of the directors shall be fixed by the Bylaws, subject to alteration, from time to time, by amendment of the Bylaws either by the, Board of Directors or the stockholders. Subject to the provisions of Article Fourth of this Certificate of Incorporation, an increase in the number of directors shall be deemed to create vacancies in the Board, to be filled in the manner provided in this Certificate of Incorporation. Subject to the provisions of Article Fourth of this Certificate of Incorporation, any director or any officer elected or appointed by the stockholders or by the Board of Directors may be removed at any time, in such manner as shall be provided in this Certificate of Incorporation. Directors of the Corporation need not be elected by written ballot, unless otherwise required by the Bylaws of the Corporation.

(d) The Board of Directors shall have power to make and alter Bylaws, subject to such restrictions upon the exercise of such power as may be imposed by this Certificate of Incorporation.

(e) The Board of Directors shall have power, in its discretion, to fix, determine and vary, from time to time, the amount to be retained as surplus and the amount or amounts to be set apart out of any of the funds of the Corporation available for dividends as working capital or a reserve or reserves for any proper purpose, and to abolish any such reserve in the manner in which it was created.

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(f) The Board of Directors shall have power, in its discretion, from time to time, to determine whether and to what extent and at what times and places and under what conditions and regulations the books and accounts of the corporation, or any of them, other than the stock ledger, shall be open to the inspection of stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by law or authorized by resolution of the directors or of the stockholders.

(g) Subject to the provisions of law, in case the Corporation shall enter into any contract or transact any business with one or more of its directors, or with any firm of which any director is a member, or with any corporation or association of which any director is a stockholder, director or officer, such contract or transaction shall not be invalidated or in any way affected by the fact that such director has or may have an interest therein which is or might be adverse to the interests of the Corporation, even though the vote of such director might have been necessary to obligate the Corporation upon such contract or transaction; provided, that the fact of such interest shall have been disclosed to the other directors or the stockholders of the Corporation, as the case may be, acting upon or with reference to such contract or transaction.

(h) Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware General Corporation Law (the "DGCL") or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the DGCL order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

(i) The Corporation shall not be governed by Section 203 of the DGCL (section 203"), and the restrictions contained in Section 203 shall not apply to the Corporation, until such time, if ever, as both of the following conditions exist: (a)

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Section 203 by its terms would, but for the provisions of this paragraph, apply to the Corporation; and (b) there exists no person that is the owner of more than 25% of the outstanding voting stock of the corporation. Once the Corporation shall become governed by Section 203 pursuant to the preceding sentence the Corporation shall be governed by Section 203 for so long as Section 203 by its terms shall apply to the

Corporation, regardless of whether any person shall thereafter become the owner of more than 25% of the outstanding voting stock of the corporation. For purposes of this paragraph, the terms "person", "owners" and "voting stock" shall have the meanings ascribed to them in Section 203, as Section 203 may be amended from time to time.

(j) The Corporation reserves the right to amend, alter, change, add to or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by statute; and all rights herein conferred are granted subject to this reservation.

NINTH: A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL for payment of unlawful dividends or unlawful stock repurchases or redemption, or (iv) for any transaction from which the director derived an improper personal benefit.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL and by the unanimous written consent of the sole shareholder in accordance with Section 228 of the DGCL and has been signed this 19th day of April 1994 by Evelyn Simon, its Vice President and General Counsel and attested to by William O. Ross, its Assistant Secretary.

By: /s/ Evelyn Simon

Evelyn Simon
Vice President and General Counsel

By: /s/ William D. Ross

William D. Ross
Assistant Secretary

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CERTIFICATE OF AMENDMENT OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

UT Automotive, Inc., a corporation organized and existing under and by virtue of the General corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of UT Automotive, Inc., by the unanimous written consent of its members, filed with the minutes of the board, duly adopted resolutions setting forth a proposed amendment to the Amended and Restated Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the shareholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, That the Amended and Restated Certificate of Incorporation of this corporation be amended by changing the Fourth Article thereof so that, as amended said Article shall be and read as follows:

"FOURTH: The total number of shares of stock which the corporation shall have authority to issue in two hundred (200) and the par value of each of such shares is Ten Dollars (\$10.00) amounting in the aggregate to Two Thousand Dollars (\$2,000.00)."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the shareholders of said corporation was duly called and upon written waiver of notice signed by all shareholders in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said UT Automotive, Inc. has caused this certificate to be signed by Norma Bodine, its President and Chief Executive Officer this 31st day of October, 1995.

/s/ Norman R. Bodine

Norman R. Bodine
President and Chief Executive Officer

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CERTIFICATE OF AMENDMENT
OR
CERTIFICATE OF INCORPORATION

UT Automotive, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members, filed with the minutes of the Board adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the First Article to the Certificate of incorporation of UT Automotive Inc. be deleted and replaced in its entirety with the following:

FIRST: The name of the corporation is Lear Corporation Automotive Holdings

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said UT Automotive Inc. has caused this certificate to be signed by Lawrence V. Mowell, its Vice President this 4th day of May, 1999.

UT Automotive, Inc.

By: _____
Vice President

LEAR CORPORATION AUTOMOTIVE HOLDINGS
BY LAWS

ARTICLE I

OFFICES

- Section 1. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.
- Section 2. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

- Section 1. All meetings of the stockholders for the election of directors shall be held in the City of Hartford, State of Connecticut, at such place as may be fixed from time to time by the board of directors, or at such other place either within, or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.
- Section 2. Annual meetings of stockholders, commencing with the year 1978, shall be held on the second Tuesday of April if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10:30 a.m., or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.
- Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten, nor more than sixty, days before the date of the meeting.
- Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any

stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

- Section 5. Special meetings of the stockholder, for any purpose or

purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

- Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten, nor more than sixty, days before the date of the meeting, to each stockholder entitled to vote at such meeting.
- Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.
- Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.
- Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.
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- Section 10. Unless otherwise provided in the certificate of incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.
- Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

- Section 1. The number of directors which shall constitute the whole board shall be fixed from time to time by the board of directors or by the stockholder but shall not be less than four (4). The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of the Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.
- Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery, may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

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- Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

- Section 4. The board of directors of the corporation may hold meetings both regular and special, either within or without the State of Delaware.
- Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.
- Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.
- Section 7. Special meetings of the board may be called by the president on one day's notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on

the written request of two directors unless the board consists of only one director; in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director.

Section 8. At all meetings of the board a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the

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board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; and, unless the resolution or the certificate of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 12. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 13. Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the

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board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or by law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same persons unless the certificate of incorporation or these bylaws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice-presidents, a secretary and a treasurer.

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Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such

duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 8. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice presidents in the order designated by the directors or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board

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of directors and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

- Section 11. The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.
- Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.
- Section 13. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.
- Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

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ARTICLE VI

CERTIFICATE OF STOCK

- Section 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.
- Section 2. Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

- Section 3. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent

to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or to express consent to corporate action in writing without a meeting, or entitled to receive

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payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting: provided, however, that the board of directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

GENERAL PROVISIONS DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stocks subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was

created.

ANNUAL STATEMENT

Section 3. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

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CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time dissipate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND FIDUCIARIES; INSURANCE

Section 7. (a) The corporation may indemnify, in accordance with and to the full extent permitted by the laws of the State of Delaware as in effect at the time of the adoption of this Section 7 or as such laws may be amended from time to time, and shall so indemnify to the full extent permitted by such laws, any person (and the heirs and legal representatives of any such person) made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee, agent or fiduciary of the corporation, any subsidiary of the corporation or any constituent corporation absorbed in a consolidation or merger, or serves as such with another corporation, or with a partnership, joint venture, trust or other enterprise at the request of the corporation, any subsidiary of the corporation or any such constituent corporation. The corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the board of directors of the corporation.

(b) By action of the board of directors notwithstanding any interest of the directors in such action, the corporation may purchase and maintain insurance in such amounts as the board of directors deems appropriate on behalf of any person who is or was a director, officer, employee, agent or fiduciary of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, agent or fiduciary of another

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corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation shall have the power to indemnify him against such liability under the provisions of this section.

ARTICLE VIII

AMENDMENTS

Section 1. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the certificate of incorporation at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the board of directors by the certificate of incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

[WINSTON & STRAWN LETTERHEAD]

June 22, 1999

Lear Corporation
Lear Operations Corporation
Lear Corporation Automotive Holdings
21557 Telegraph Road
Southfield, MI 48086-5008

Re: Registration Statement on Form S-4
of Lear Corporation and the
Guarantors (as defined below)

Ladies and Gentlemen:

We have acted as special counsel to Lear Corporation, a Delaware corporation (the "Company"), Lear Operations Corporation ("LOC") and Lear Corporation Automotive Holdings ("LCAH," and together with LOC, the "Guarantors") in connection with the preparation of the Registration Statement on Form S-4 (the "Registration Statement") filed on behalf of the Company and the Guarantors with the Securities and Exchange Commission (the "Commission") relating to the Company's offer to exchange \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 and \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009, respectively, which have been registered under the Securities Act of 1933, as amended (the "Securities Act") (collectively, the "Exchange Notes"), and the Guarantees thereof by the Guarantors, for its original unregistered 7.96% Senior Notes due 2005 and 8.11% Senior Notes due 2009, respectively, which were issued and sold in a transaction exempt from registration under the Securities Act (collectively, the "Original Notes"), all as more fully described in the Registration Statement. The New Notes will be issued under that certain Indenture dated as of May 15, 1999 (the "Indenture") among the Company, the Guarantors and The Bank of New York, as trustee. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the prospectus (the "Prospectus") contained in the Registration Statement.

This opinion letter is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with this opinion letter, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement, in the form filed with the Commission and as amended through the date hereof; (ii) the Certificates of Incorporation of the Company and each of the Guarantors, as currently in effect; (iii) the By-laws of the Company and each of the Guarantors, as currently in effect; (iv) the Indenture; (v) the form of the Exchange Notes; and (vi) resolutions of the Boards of Directors of the Company and each of the Guarantors relating to, among other things, the issuance and exchange of the Exchange Notes for the Original Notes, the issuance of the Guarantees and the filing of the Registration Statement. We also have examined such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth below.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such latter documents. As to certain facts material to this opinion letter, we have relied

without independent verification upon oral or written statements and representations of officers and other representatives of the Company, the Guarantors and others.

Based upon and subject to the foregoing, we are of the opinion that:

1. The issuance and exchange of the Exchange Notes for the Original Notes and the issuance of the Guarantees have been duly authorized by requisite corporate action on the part of the Company and the Guarantors, respectively.

2. The Exchange Notes and the Guarantees will be valid and binding obligations of the Company and the Guarantors, respectively, entitled to the benefits of the Indenture and enforceable against the Company and the Guarantors, respectively, in accordance with their terms, except to the extent that the enforceability thereof may be limited by (x) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (y) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity) when (i) the Registration Statement, as finally amended (including all necessary post-effective amendments), shall have become effective under the Securities Act; (ii) the Exchange Notes are duly executed and authenticated in accordance with the provisions of the Indenture; and (iii) the Exchange Notes shall have been issued and delivered in exchange for the Original Notes pursuant to the terms set forth in the Prospectus.

The foregoing opinions are limited to the laws of the United States, the State of New York and the General Corporation Law of the State of Delaware. We express no opinion as to the application of the securities or blue sky laws of the various states to the issuance or exchange of the Exchange Notes.

We hereby consent to the reference to our firm under the heading "Legal Matters" in the Prospectus and to the filing of this opinion letter with the Commission as an exhibit to the Registration Statement. In giving such consent, we do not concede that we are experts within the meaning of the Securities Act or the rules and regulations thereunder or that this consent is required by Section 7 of the Securities Act.

Very truly yours,

/s/ Winston & Strawn

COMPUTATION OF NET INCOME PER SHARE
(In millions, except share information)

	For the Year Ended December 31, 1998		For the Year Ended December 31, 1997		For the Year Ended December 31, 1996	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Income before extraordinary items	\$ 115.5	\$ 115.5	\$ 208.2	\$ 208.2	\$ 151.9	\$ 151.9
Extraordinary items	-	-	(1.0)	(1.0)	-	-
Net income	\$ 115.5	\$ 115.5	\$ 207.2	\$ 207.2	\$ 151.9	\$ 151.9
Weighted Average Shares:						
Common shares outstanding	66,947,135	66,947,135	66,304,770	66,304,770	60,485,696	60,485,696
Exercise of stock options (1)	-	1,076,240	-	1,943,313	-	3,275,938
Exercise of warrants (2)	-	-	-	-	-	-
Common and equivalent shares outstanding	66,947,135	68,023,375	66,304,770	68,248,083	60,485,696	63,761,634
Per Common and Equivalent Share:						
Income before extraordinary items	\$ 1.73	\$ 1.70	\$ 3.14	\$ 3.05	\$ 2.51	\$ 2.38
Extraordinary items	-	-	(0.01)	(0.01)	-	-
Net income per share	\$ 1.73	\$ 1.70	\$ 3.13	\$ 3.04	\$ 2.51	\$ 2.38

	For the Year Ended December 31, 1995		For the Year Ended December 31, 1994	
	Basic	Diluted	Basic	Diluted
Income before extraordinary items	\$ 94.2	\$ 94.2	\$ 59.8	\$ 59.8
Extraordinary items	(2.6)	(2.6)	-	-
Net income	\$ 91.6	\$ 91.6	\$ 59.8	\$ 59.8
Weighted Average Shares:				
Common shares outstanding	48,944,181	48,944,181	42,602,167	42,602,167
Exercise of stock options (1)	-	3,544,757	-	3,321,954
Exercise of warrants (2)	-	-	-	1,514,356
Common and equivalent shares				

outstanding	48,944,181	52,488,938	42,602,167	47,438,477
	=====	=====	=====	=====
Per Common and Equivalent Share:				
Income before				
extraordinary items	\$ 1.92	\$ 1.79	\$ 1.40	\$ 1.26
Extraordinary items	(0.05)	(0.05)	-	-
	-----	-----	-----	-----
Net income per share	\$ 1.87	\$ 1.74	\$ 1.40	\$ 1.26
	=====	=====	=====	=====

- (1) Amount represents the number of shares issued assuming exercise of stock options, reduced by the number of shares which could have been purchased with the proceeds from the exercise of such options.
- (2) Amount represents the number of common shares issued assuming exercise of warrants outstanding.

EXHIBIT 12.1 -- COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(DOLLARS IN MILLIONS, EXCEPT RATIO OF EARNINGS TO FIXED CHARGES)

	Three Months Ended,	
	4/3/99	3/28/98
Income before provision for national income taxes, minority interests in net income (loss) of subsidiaries, equity (income) loss of affiliates, and extraordinary items	\$ 83.7	\$ 77.7
Fixed charges	35.0	28.9
Distributed income of affiliates	-	-
Earnings	\$ 118.7	\$ 106.6
Interest expense	\$ 30.1	\$ 24.7
Portion of lease expense representative of interest	4.9	4.2
Fixed Charges	\$ 35.0	\$ 28.9
Ratio of Earnings to Fixed Charges	3.4	3.7
Fixed Charges in Excess of Earnings	-	-

	Year Ended December 31,				
	1998	1997	1996	1995	1994
Income before provision for national income taxes, minority interests in net income (loss) of subsidiaries, equity (income) loss of affiliates, and extraordinary items	\$ 214.8	\$ 345.8	\$ 253.4	\$ 152.9	\$ 114.6
Fixed charges	130.7	113.6	112.7	82.6	52.2
Distributed income of affiliates	2.3	3.9	3.0	1.3	0.9
Earnings	\$ 347.8	\$ 463.3	\$ 369.1	\$ 236.8	\$ 167.7
Interest expense	\$ 110.5	\$ 101.0	\$ 102.8	\$ 75.5	\$ 46.7
Portion of lease expense representative of interest	20.2	12.6	9.9	7.1	5.5
Fixed Charges	\$ 130.7	\$ 113.6	\$ 112.7	\$ 82.6	\$ 52.2
Ratio of Earnings to Fixed Charges	2.7	4.1	3.3	2.9	3.2
Fixed Charges in Excess	-	-	-	-	-
of Earnings	-	-	-	-	-

EXHIBIT 12.2 -- COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(DOLLARS IN MILLIONS, EXCEPT RATIO OF EARNINGS TO FIXED CHARGES)

Pro Forma

	Year Ended 12/31/98	Three Months Ended 4/3/99
Income before provision for national income taxes, minority interests in net income (loss) of subsidiaries, equity (income) loss of affiliates, and extraordinary items	\$138.9	\$ 73.3
Fixed charges	310.7	78.7
Distributed income of affiliates	2.3	-
Earnings	\$451.9	\$ 152.0
Interest expense	\$283.7	\$ 71.9
Portion of lease expense representative of interest (1)	27.0	6.8
Fixed Charges	\$310.7	\$ 78.7
Ratio of Earnings to Fixed Charges	1.5	1.9
Fixed Charges in Excess of Earnings	-	-

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports included in this registration statement and to the incorporation by reference in this registration statement of our report dated January 29, 1999 (except with respect to the matter discussed in Note 17, as to which the date is March 16, 1999) included in Lear Corporation's Form 10-K for the year ended December 31, 1998, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen LLP

Detroit, Michigan,
June 16, 1999.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Lear Corporation of our report dated March 31, 1999 relating to the financial statements of UT Automotive, Inc. (formerly a wholly-owned operating segment of United Technologies Corporation), appearing in Lear Corporation's Current Report on Form 8-K dated May 4, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan
June 18, 1999

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Lear Corporation on Form S-4 of our report dated August 21, 1998 on the Seating Business, formerly of the Delphi Interior Systems Division of Delphi Automotive Systems Corporation, appearing in the Current Report of Lear Corporation on Form 8-K/A dated September 1, 1998, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Detroit, Michigan
June 18, 1999

FORM T-1
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) ☐ _____

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York	13-5160382
(State of incorporation	(I.R.S. employer
if not a U.S. national bank)	identification no.)

One Wall Street, New York, N.Y.	10286
(Address of principal executive offices)	(Zip code)

LEARN CORPORATION
(Exact name of obligor as specified in its charter)

Delaware	13-3386776
(State or other jurisdiction of	(I.R.S. employer
incorporation or organization)	identification no.)

Lear Operations Corporation
(Exact name of obligor as specified in its charter)

Delaware	38-3265872
(State or other jurisdiction of	(I.R.S. employer
incorporation or organization)	identification no.)

Lear Corporation Automotive Holdings
(Exact name of obligor as specified in its charter)

Delaware	11-2462850
(State or other jurisdiction of	(I.R.S. employer
incorporation or organization)	identification no.)

21557 Telegraph Road	48086-5008
Southfield, MI	(Zip code)
(Address of principal executive offices)	

7.96% Series B Senior Notes due 2005
8.11% Series B Senior Notes due 2009
(Title of the indenture securities)

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE
TRUSTEE:

(A) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH
IT IS SUBJECT.

Name

Address

Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(B) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7A-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(D).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

3

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 11th day of June, 1999.

THE BANK OF NEW YORK

By: /s/ ILIANA A. ARCIPRETE

Name: ILIANA A. ARCIPRETE
Title: ASSISTANT TREASURER

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business March 31, 1999,
published in accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin..	\$4,508,742
Interest-bearing balances.....	4,425,071
Securities:	
Held-to-maturity securities.....	836,304
Available-for-sale securities.....	4,047,851
Federal funds sold and Securities purchased under agreements to resell.....	1,743,269
Loans and lease financing receivables:	
Loans and leases, net of unearned income.....	39,349,679
LESS: Allowance for loan and lease losses.....	603,025
LESS: Allocated transfer risk reserve.....	15,906
Loans and leases, net of unearned income, allowance, and reserve.....	38,730,748
Trading Assets.....	1,571,372
Premises and fixed assets (including capitalized leases).....	685,674
Other real estate owned.....	10,331
Investments in unconsolidated subsidiaries and associated companies.....	182,449
Customers' liability to this bank on acceptances outstanding.....	1,184,822
Intangible assets.....	1,129,636
Other assets.....	2,632,309
Total assets.....	\$61,688,578 =====
LIABILITIES	
Deposits:	
In domestic offices.....	\$25,731,036
Noninterest-bearing.....	10,252,589
Interest-bearing.....	15,478,447
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	18,756,302
Noninterest-bearing.....	111,386
Interest-bearing.....	18,644,916
Federal funds purchased and Securities sold under agreements to repurchase.....	3,276,362
Demand notes issued to the U.S.Treasury.....	230,671
Trading liabilities.....	1,554,493
Other borrowed money:	
With remaining maturity of one year or less.....	1,154,502
With remaining maturity of more than one year through three years.....	465

With remaining maturity of more than three years....	31,080
Bank's liability on acceptances executed and outstanding.....	1,185,364
Subordinated notes and debentures.....	1,308,000
Other liabilities.....	2,743,590

Total liabilities.....	55,971,865
	=====
EQUITY CAPITAL	
Common stock.....	1,135,284
Surplus.....	764,443
Undivided profits and capital reserves.....	3,807,697
Net unrealized holding gains (losses) on available-for-sale securities.....	44,106
Cumulative foreign currency translation adjustments....	(34,817)

Total equity capital.....	5,716,713

Total liabilities and equity capital.....	\$61,688,578
	=====

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J. Mastro

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

Thomas A. Reyni
Alan R. Griffith
Gerald L. Hassell

Directors

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LETTER OF TRANSMITTAL

EXCHANGE OFFER FOR ALL OUTSTANDING
7.96% SENIOR NOTES DUE 2005
AND
8.11% SENIOR NOTES DUE 2009
OF

LEAR CORPORATION
Pursuant to the Prospectus dated _____, 1999

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____,
1999
UNLESS EXTENDED (THE "EXPIRATION DATE").

The Exchange Agent for the Exchange Offer is:
THE BANK OF NEW YORK

By Hand or Overnight Delivery:

The Bank of New York
101 Barclay Street
Corporate Trust Services Window
Ground Level
Attention: Tolutope Adeyujo
Reorganization Section
Facsimile Transmissions:
(Eligible Institutions Only)

(212) 815-4699

To Confirm by Telephone
or for Information Call:

(212) 815-2824

By Registered or Certified Mail:

The Bank of New York
101 Barclay Street, 7E
New York, New York 10286
Attention: Tolutope Adeyujo
Reorganization Section

IF YOU DELIVER THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMIT INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, SUCH DELIVERY OR INSTRUCTIONS WILL NOT BE EFFECTIVE. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED THEREFOR AND COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW.

The instructions accompanying this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.

Lear Corporation (the "Company") is offering, upon the terms and subject to the conditions set forth in the Prospectus, dated _____, 1999 (the "Prospectus"), and in this Letter of Transmittal (which, together with any supplements or amendments hereto or thereto, collectively constitute the "Exchange Offer") to exchange up to \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 (the "7.96% Exchange Notes") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 7.96% Senior Notes due 2005 (the "7.96% Original Notes") and up to \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009 (the "8.11% Exchange Notes," and together with the 7.96% Exchange Notes, the "Exchange Securities") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 8.11% Senior Notes due 2009 (the "8.11% Original Notes," and together with the 7.96% Original Notes, the "Original Securities"). Terms used herein with initial capital letters but not otherwise defined herein have the

This Letter of Transmittal is to be completed by holders of Original Securities (i) if certificates representing Original Securities ("Certificates") are to be forwarded herewith or (ii) unless an agent's message (as defined in the Prospectus) is utilized, if delivery of Original Securities is to be made by book-entry transfer to the account maintained by the Exchange Agent at the Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in the Prospectus under the caption "The Exchange Offer -- Book-Entry Transfer." Holders whose Certificates are not immediately available or who cannot deliver their Certificates and all other required documents to the Exchange Agent prior to the Expiration Date, or who cannot complete the procedures for book-entry transfer on a timely basis, may tender their Original Securities pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Guaranteed Delivery Procedures." See Instruction 1. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Exchange Agent.

List below the Original Securities to which this Letter of Transmittal relates. If the space provided below is inadequate, list the certificate numbers and principal amount of Original Securities on a separate signed schedule and affix the list to this Letter of Transmittal.

		AGGREGATE PRINCIPAL AMOUNT OF 7.96% ORIGINAL	AGGREGATE PRINCIPAL AMOUNT OF 7.96% ORIGINAL
NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDERS (PLEASE COMPLETE, IF BLANK)	CERTIFICATE NUMBER(S) *	NOTES REPRESENTED BY CERTIFICATE(S)	NOTES TENDERED**

* Need not be completed if Original Securities are being tendered by book-entry.

** Unless otherwise indicated in this column, a holder will be deemed to have tendered the entire principal amount of its Original Securities.

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDERS (PLEASE COMPLETE, IF BLANK)	CERTIFICATE NUMBER(S) *	AGGREGATE PRINCIPAL	
		AMOUNT OF 8.11% ORIGINAL	AGGREGATE PRINCIPAL AMOUNT OF 8.11%
		NOTES REPRESENTED BY CERTIFICATE(S)	ORIGINAL NOTES TENDERED**

* Need not be completed if Original Securities are being tendered by book-entry.

** Unless otherwise indicated in this column, a holder will be deemed to have tendered the entire principal amount of its Original Securities.

Name of Tendering Institution:

Account Number:

Transaction Code Number: _____

[] CHECK HERE IF TENDERED ORIGINAL SECURITIES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s) of Original Securities: _____

Window Ticket Number (if any): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution that Guaranteed Delivery: _____

[] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO AND COMPLETE THE FOLLOWING.

Name: _____

Address: _____

2

3

Ladies and Gentlemen:

On the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the aggregate principal amount of Original Securities indicated above. Subject to, and effective upon, the acceptance for exchange of the Original Securities tendered hereby, the undersigned hereby (i) sells, assigns, and transfers to, or upon the order of, the Company all right, title, and interest in and to the Original Securities tendered hereby and (ii) irrevocably constitutes and appoints the Exchange Agent as its true and lawful agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as the agent of the Company) with respect to such Original Securities, with full power of substitution (such power of attorney deemed to be an irrevocable power of attorney coupled with an interest), to (a) deliver Certificates evidencing such Original Securities, or transfer ownership of such Original Securities on the account books maintained by the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company, (b) present such Original Securities for transfer on the books of the registrar for the Original Securities, and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Original Securities.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign, transfer, and exchange the Original Securities tendered hereby and that, when the same are accepted by the Company for exchange, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, and adverse claims. The undersigned hereby further represents that (i) any Exchange Securities acquired in exchange for Original Securities tendered hereby are being acquired in the ordinary course of business of the person receiving such Exchange Securities, whether or not such person is the holder of such Original Securities, (ii) neither the undersigned nor any such other person is engaging in or intends to engage in a distribution of the Exchange Securities, (iii) neither the undersigned nor any such other person has an arrangement or understanding with any person to participate in the distribution of such Exchange Securities, and (iv) neither the undersigned nor any such other person is an "affiliate" (as defined in Rule 405 under the Securities Act) of the Company, or, if either is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act. If the undersigned is a broker-dealer that is to receive Exchange Securities for its own account in exchange for Original Securities, it further represents that such Original Securities were acquired as a result of market-making activities or other trading activities, and acknowledges that it will deliver a prospectus meeting

the requirements of the Securities Act in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" with respect to such Exchange Securities within the meaning of the Securities Act.

The undersigned acknowledges that this Exchange Offer is being made in reliance upon interpretations by the staff of the Securities and Exchange Commission, as set forth in no-action letters issued to third parties, that indicate that the Exchange Securities issued in exchange for the Original Securities pursuant to the Exchange Offer may be offered for resale, resold, or otherwise transferred by the holders thereof (other than any such holder that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, if such Exchange Securities are acquired in the ordinary course of such holders' business and such holders have no arrangement or understanding with any person to participate in a distribution of such Exchange Securities. However, the Securities and Exchange Commission has not considered the Exchange Offer in the context of a no-action letter and there can be no assurance that the staff of the Securities and Exchange Commission would make a similar determination with respect to the Exchange Offer. If any holder of Original Securities is an affiliate of the Company or is engaged in, or intends to engage in or has any arrangement or understanding with any person to participate in, the distribution of the Exchange Securities to be acquired pursuant to the Exchange Offer, such holder (i) cannot rely on the applicable interpretations of the staff of the Securities and Exchange Commission and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

3

4

The undersigned will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the sale, assignment, and transfer of the Original Securities tendered hereby.

All authority conferred or agreed to be conferred by this Letter of Transmittal and every obligation of the undersigned hereunder shall be binding upon the undersigned's heirs, executors, administrators, trustees in bankruptcy, legal representatives, successors, and assigns and shall survive the death, incapacity, or dissolution of the undersigned.

The undersigned understands that the valid tender of Original Securities pursuant to the procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering" and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer.

Unless otherwise indicated herein under "Special Issuance Instructions," please issue the Certificates representing the Exchange Securities and return any Original Securities not tendered or not accepted for exchange in the name(s) of the undersigned or, in the case of a book-entry delivery of Original Securities, please credit the account indicated above maintained at the Book-Entry Transfer Facility. Similarly, unless otherwise indicated herein under "Special Delivery Instructions," please mail the Certificates representing the Exchange Securities issued in exchange for the Original Securities accepted for exchange and any certificates for Original Securities not tendered or not accepted for exchange (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). The undersigned recognizes that the Company has no obligation pursuant to the "Special Issuance Instructions" and "Special Delivery Instructions" to transfer any Original Securities from the name of the registered holder(s) thereof if the Company does not accept for exchange any of the Original Securities so tendered.

THE UNDERSIGNED, BY COMPLETING THE BOXES ENTITLED "DESCRIPTION OF 7.96% ORIGINAL NOTES" AND/OR "DESCRIPTION OF 8.11% ORIGINAL NOTES" ABOVE AND SIGNING THIS LETTER OF TRANSMITTAL, WILL BE DEEMED TO HAVE TENDERED THE ORIGINAL SECURITIES AS SET FORTH IN SUCH BOXES ABOVE.

4

5

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 3, 4 AND 6)

To be completed ONLY (i) if Certificates for Exchange Securities and any Original Securities that are not accepted for exchange are to be issued in the name of and sent to someone other than the undersigned or (ii) if Original Securities tendered by book-entry transfer that are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue Certificate(s) to:

Name:

(Please Print)

Address:

(Include Zip Code)

[] Credit unexchanged Original Securities delivered by book-entry transfer to the Book-Entry Transfer Facility Account set forth below.

(Taxpayer Identification or Social Security No.)

(Please Also Complete Substitute Form W-9)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 3, 4 AND 6)

To be completed ONLY if Certificates for Exchange Securities and any Original Securities that are not accepted for exchange are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown above.

Mail Certificate(s) to:

Name:

(Please Print)

Address:

(Include Zip Code)

IMPORTANT: THIS LETTER OF TRANSMITTAL (TOGETHER WITH THE CERTIFICATES FOR ORIGINAL SECURITIES OR A BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS OR THE NOTICE OF GUARANTEED DELIVERY) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

BROKER-DEALER STATUS

[] Check this box if the beneficial owner of the Original Securities is a broker-dealer and such broker-dealer acquired the Original Securities for its own account as a result of market-making activities or other trading activities. IF THIS BOX IS CHECKED, PLEASE SEND A COPY OF THIS LETTER OF TRANSMITTAL TO JOSEPH F. MCCARTHY, ESQ., VIA FACSIMILE: (248) 447-1677.

PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL
CAREFULLY BEFORE COMPLETING ANY BOX ABOVE.

IMPORTANT:
SIGN HERE AND COMPLETE SUBSTITUTE FORM W-9 BELOW

Signature(s) of Holder(s) of Original Securities

Dated: _____, 1999

(Must be signed by the registered holder(s) of Original Securities as their name(s) appear(s) on the certificates for the Original Securities or on a security position listing, or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations, or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 3.)

Name: _____

(Please Type or Print)

Capacity (Full Title): _____

Address: _____

(Include a Zip Code)

Area Code and Telephone No.: _____

(Home)

(Business)

Tax Identification or Social Security No.: _____

(Complete Substitute Form W-9
Below)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTION 3)

Authorized Signature(s): _____

Name: _____

(Please Type or Print)

Title: _____

Name of Firm: _____

Address: _____

(Include a Zip Code)

Area Code and Telephone No.: _____

Dated: _____, 1999

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Delivery of this Letter of Transmittal and Original Securities; Guaranteed Delivery Procedures. This Letter of Transmittal is to be completed by holders of Original Securities (a) if Certificates are to be forwarded herewith or (b) unless an agent's message (as defined in the Prospectus) is utilized, if delivery of Original Securities is to be made by book-entry transfer pursuant to the procedures set forth in the Prospectus under the caption "The Exchange Offer -- Book-Entry Transfer." Certificates for all physically tendered Original Securities, or Book-Entry Confirmation (as defined below), as the case may be, as well as a properly completed and duly executed Letter of Transmittal (or, at the option of the holder in the case of a book-entry tender of Original Securities, an agent's message) and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at the address set forth herein prior to the Expiration Date, or the tendering holder must comply with the guaranteed delivery procedures set forth below. Original Securities tendered hereby must be in denominations of principal amount of \$1,000 and any integral multiple thereof. Holders whose Certificates are not immediately available or who cannot deliver their Certificates and all other required documents to the Exchange Agent prior to the Expiration Date, or who cannot complete the procedures for book-entry transfer on a timely basis, may tender their Original Securities pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Guaranteed Delivery Procedures." Pursuant to such procedures, (a) such tender must be made through an Eligible Institution (as defined in Instruction 3 below) prior to 5:00 p.m., New York City time, on the Expiration Date, (b) the Exchange Agent must receive from such Eligible Institution a properly completed and duly executed Letter of Transmittal (or, at the option of the holder in the case of a book-entry tender of Original Securities, an agent's message) and Notice of Guaranteed Delivery, substantially in the form provided by the Company (by facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Original Securities and the amount of Original Securities tendered, stating that the tender is being made thereby, and guaranteeing that within three New York Stock Exchange ("NYSE") trading days after the Expiration Date, the Certificates for all physically tendered Original Securities, in proper form for transfer, or confirmation of the book-entry transfer of the Original Securities into the Exchange Agent's account at the Book-Entry Transfer Facility (a "Book-Entry Confirmation"), as the case may be, and any other documents required by this Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent, and (c) the Certificates for all physically tendered Original Securities, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and all other documents required by this Letter of Transmittal, must be received by the Exchange Agent within three NYSE trading days after the Expiration Date. The method of delivery of this Letter of Transmittal, the Original Securities, and all other required documents is at the election and risk of the tendering holders, but the delivery will be deemed made only when actually received or confirmed by the Exchange Agent. If Original Securities are sent by mail, it is suggested that the mailing be registered mail, properly insured, with return receipt requested, made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. See "The Exchange Offer" in the Prospectus.

2. Partial Tenders (Not Applicable to Security Holders Who Tender by Book-Entry Transfer). If less than all of the Original Securities evidenced by a submitted Certificate are to be tendered, the tendering holder(s) should fill in the aggregate principal amount of Original Securities to be tendered in the boxes above entitled "Description of 7.96% Original Notes -- Aggregate Principal Amount of 7.96% Original Notes Tendered" and "Description of 8.11% Original Notes -- Aggregate Principal Amount of 8.11% Original Notes Tendered." A reissued Certificate representing the balance of nontendered Original Securities will be sent to such tendering holder, unless otherwise provided in the appropriate box on this Letter of Transmittal, promptly after the Expiration Date. ALL OF THE ORIGINAL SECURITIES DELIVERED TO THE EXCHANGE AGENT WILL BE DEEMED TO HAVE BEEN TENDERED UNLESS OTHERWISE INDICATED.

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3. Signatures on this Letter; Bond Powers and Endorsements; Guarantee of Signatures. If this Letter of Transmittal is signed by the registered holder of

the Original Securities tendered hereby, the signature must correspond exactly with the name as written on the face of the Certificates without any change whatsoever. If any tendered Original Securities are owned of record by two or more joint owners, all of such owners must sign this Letter of Transmittal. If any tendered Original Securities are registered in different names on several Certificates, it will be necessary to complete, sign, and submit as many separate copies of this Letter of Transmittal as there are different registrations of Certificates. When this Letter of Transmittal is signed by the registered holder or holders of the Original Securities specified herein and tendered hereby, no endorsements of Certificates or separate bond powers are required. If, however, the Exchange Securities are to be issued, or any untendered Original Securities are to be reissued, to a person other than the registered holder, then endorsements of any Certificates transmitted hereby or separate bond powers are required. Signatures on such Certificate(s) must be guaranteed by an Eligible Institution. If this Letter of Transmittal is signed by a person other than the registered holder or holders of any Certificate(s) specified herein, such Certificate(s) must be endorsed or accompanied by appropriate bond powers, in either case signed exactly as the name or names of the registered holder or holders appear(s) on the Certificate(s) and signatures on such Certificate(s) must be guaranteed by an Eligible Institution. If this Letter of Transmittal or any Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted. ENDORSEMENTS ON CERTIFICATES FOR ORIGINAL SECURITIES OR SIGNATURES ON BOND POWERS REQUIRED BY THIS INSTRUCTION 3 MUST BE GUARANTEED BY A FIRM THAT IS A FINANCIAL INSTITUTION (INCLUDING MOST BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND BROKERAGE HOUSES) THAT IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM, THE NEW YORK STOCK EXCHANGE MEDALLION SIGNATURE PROGRAM, OR THE STOCK EXCHANGES MEDALLION PROGRAM (EACH AN "ELIGIBLE INSTITUTION"). SIGNATURES ON THIS LETTER OF TRANSMITTAL NEED NOT BE GUARANTEED BY AN ELIGIBLE INSTITUTION, PROVIDED THE ORIGINAL SECURITIES ARE TENDERED: (i) BY A REGISTERED HOLDER OF ORIGINAL SECURITIES (WHICH TERM, FOR PURPOSES OF THE EXCHANGE OFFER, INCLUDES ANY PARTICIPANT IN THE BOOK-ENTRY TRANSFER FACILITY SYSTEM WHOSE NAME APPEARS ON A SECURITY POSITION LISTING AS THE HOLDER OF SUCH ORIGINAL SECURITIES) WHO HAS NOT COMPLETED THE BOX ENTITLED "SPECIAL ISSUANCE INSTRUCTIONS" OR "SPECIAL DELIVERY INSTRUCTIONS" ON THIS LETTER OF TRANSMITTAL OR (ii) FOR THE ACCOUNT OF AN ELIGIBLE INSTITUTION.

4. Special Issuance and Delivery Instructions. Tendering holders of Original Securities should indicate in the applicable box the name and address to which Exchange Securities issued pursuant to the Exchange Offer and or substitute Certificates evidencing Original Securities not exchanged are to be issued or sent, if different from the name or address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated. Security holders tendering Original Securities by book-entry transfer may request that Original Securities not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such security holder may designate hereon. If no such instructions are given, such Original Securities not exchanged will be returned to the name and address of the person signing this Letter of Transmittal.

5. Taxpayer Identification Number. Federal income tax law generally requires that a tendering holder whose Original Securities are accepted for exchange must provide the Company (as payer) with such holder's correct Taxpayer Identification Number ("TIN") on Substitute Form W-9 below, which in the case of a tendering holder who is an individual, is his or her social security number. If the Company is not provided with the current TIN or an adequate basis for an exemption from backup withholding, such tendering holder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition,

the Exchange Agent may be required to withhold 31% of the amount of any reportable payments made after the exchange to such tendering holder of Exchange Securities. If withholding results in an overpayment of taxes, a refund may be obtained. Exempt holders of Original Securities (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed Guidelines of Certification of Taxpayer Identification Number on Substitute Form W-9 (the "W-9 Guidelines") for additional instructions. To prevent backup withholding, each

tendering holder of Original Securities must provide its correct TIN by completing the Substitute Form W-9 set forth below, certifying, under penalties of perjury, that the TIN provided is correct (or that such holder is awaiting a TIN) and that (a) the holder is exempt from backup withholding, (b) the holder has not been notified by the Internal Revenue Service that such holder is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding. If the tendering holder of Original Securities is a nonresident alien or foreign entity not subject to backup withholding, such holder must give the Exchange Agent a completed Form W-8, Certificate of Foreign Status. These forms may be obtained from the Exchange Agent. If the Original Securities are in more than one name or are not in the name of the actual owner, such holder should consult the W-9 Guidelines for information on which TIN to report. If such holder does not have a TIN, such holder should consult the W-9 Guidelines for instructions on applying for a TIN, check the box in Part 2 of the Substitute Form W-9 and write "applied for" in lieu of its TIN. Note: Checking this box and writing "applied for" on the form means that such holder has already applied for a TIN or that such holder intends to apply for one in the near future. If the box in Part 2 of the Substitute Form W-9 is checked, the Exchange Agent will retain 31% of reportable payments made to a holder during the 60-day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent with his or her TIN within 60 days of the Substitute Form W-9, the Exchange Agent will remit such amounts retained during such 60-day period to such holder and no further amounts will be retained or withheld from payments made to the holder thereafter. If, however, such holder does not provide its TIN to the Exchange Agent within such 60-day period, the Exchange Agent will remit such previously withheld amounts to the Internal Revenue Service as backup withholding and will withhold 31% of all reportable payments to the holder thereafter until such holder furnishes its TIN to the Exchange Agent.

6. Transfer Taxes. The Company will pay all transfer taxes, if any, applicable to the transfer of Original Securities to it or its order pursuant to the Exchange Offer. If, however, Exchange Securities and/or substitute Original Securities not exchanged are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Original Securities tendered hereby, or if tendered Original Securities are registered in the name of any person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the transfer of Original Securities to the Company or its order pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted herewith, the amount of such transfer taxes will be billed directly to such tendering holder. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE ORIGINAL SECURITIES SPECIFIED IN THIS LETTER OF TRANSMITTAL.

7. Waiver of Conditions. The Company reserves the absolute right to waive satisfaction of any or all conditions to the Exchange Offer set forth in the Prospectus.

8. No Conditional Tenders. No alternative, conditional, irregular, or contingent tenders will be accepted. All tendering holders of Original Securities, by execution of this Letter of Transmittal, shall waive any right to receive notice of the acceptance of their Original Securities for exchange. Neither the Company, the Exchange Agent, nor any other person is obligated to give notice of any defect or irregularity with respect to any tender of Original Securities nor shall any of them incur any liability for failure to give any such notice.

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9. Mutilated, Lost, Stolen, or Destroyed Original Securities. Any holder whose Original Securities have been mutilated, lost, stolen, or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

10. Withdrawal Rights. Tenders of Original Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. For a withdrawal of a tender of Original Securities to be effective, a written notice of withdrawal must be received by the Exchange Agent at the address, or in the case of eligible institutions, at the facsimile number set forth above prior to

5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (a) specify the name of the person who tendered the Original Securities to be withdrawn (the "Depositor"), (b) identify the Original Securities to be withdrawn (including certificate number or numbers and the principal amount of such Original Securities), (c) contain a statement that such holder is withdrawing his election to have such Original Securities exchanged, (d) be signed by the holder in the same manner as the original signature on the Letter of Transmittal by which such Original Securities were tendered (including any required signature guarantees) or be accompanied by documents of transfer to have the registrar with respect to the Original Securities register the transfer of such Original Securities in the name of the person withdrawing the tender, and (e) specify the name in which such Original Securities are registered, if different from that of the Depositor. If Original Securities have been tendered pursuant to the procedure for book-entry transfer set forth in the Prospectus under the caption "The Exchange Offer -- Book-Entry Transfer," any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Original Securities and otherwise comply with the procedures of such facility. All questions as to the validity, form, and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Original Securities so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Original Securities that have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Original Securities tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures set forth in the Prospectus under the caption "The Exchange Offer -- Book-Entry Transfer," such Original Securities will be credited to an account maintained with the Book-Entry Transfer Facility for the Original Securities) promptly after the expiration or termination of the Exchange Offer. Properly withdrawn Original Securities may be retendered by following the procedures described above at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

11. Requests for Assistance or Additional Copies. Questions relating to the procedure for tendering, requests for additional copies of the Prospectus and this Letter of Transmittal, and requests for Notices of Guaranteed Delivery and other related documents may be directed to the Exchange Agent, at the address and telephone number indicated above.

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PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW.

PAYER'S NAME: THE BANK OF NEW YORK

SUBSTITUTE
FORM W-9

Part 1 -- PLEASE PROVIDE YOUR TIN IN THE BOX
AT RIGHT AND CERTIFY BY SIGNING AND DATING
BELOW

SOCIAL SECURITY NUMBER
OR EMPLOYER
IDENTIFICATION NUMBER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
PAYER'S REQUEST FOR TAXPAYER
IDENTIFICATION NUMBER
("TIN") CERTIFICATION

Part 2 -- TIN Applied For []

Part 3 -- CERTIFICATION -- Under penalties of perjury, I certify that (1) the CERTIFICATION number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me) AND (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. (You must cross out Item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting of interest or dividends on your return.)

SIGNATURE

DATE

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU
CHECKED THE BOX IN PART 2 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an

application to receive a taxpayer identification number to the appropriate Internal Revenue Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number at the time of the exchange, 31% of all reportable payments made to me thereafter will be withheld until I provide a number.

SIGNATURE _____ DATE _____

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER. -- Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under State law	The actual owner(1)
5. Sole proprietorship account	The owner(3)
6. A valid trust, estate, or pension trust	The legal entity(4)

FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
---------------------------	--

7. Corporate account The corporation

- | | |
|---|-----------------------|
| 8. Association, club,
religious,
charitable,
educational or
other tax-exempt
organization | The organization |
| 9. Partnership | The partnership |
| 10. A broker or
registered nominee | The broker or nominee |
| 11. Account with the
Department of
Agriculture in the
name of a public
entity (such as a
state or local
government, school
district, or prison)
that receives
agricultural program
payments | The public entity |

- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's Social Security Number.
- (3) Show the name of the owner. You may also enter your business name. You may use your Social Security Number or Employer Identification Number.
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

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GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Section references are to the Internal Revenue Code.

OBTAINING A NUMBER

If you don't have a Taxpayer Identification Number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on broker transactions include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under Section 501(a), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.

- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.
- A dealer in securities or commodities registered in the United States or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a).
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A foreign central bank of issue.
- A person registered under the Investment Advisors Act of 1940 who regularly acts as a broker.

Payments of dividends and patronage dividends not generally subject to backup withholding also include the following:

- Payments to nonresident aliens subject to withholding under Section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Payments of interest not generally subject to backup withholding also include the following:

- Payments of interest on obligations issued by individuals.

Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- Payments of tax-exempt interest (including exempt interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

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- Mortgage interest paid by you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A and 6050N, and the regulations under such sections.

Exempt payees described above should file Substitute Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

Privacy Act Notice. -- Section 6109 requires you to give your correct Taxpayer Identification Number to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a Taxpayer Identification Number to a payer. Certain penalties may also apply.

PENALTIES

- (1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your correct Taxpayer Identification Number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.
- (3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. -- Wilfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE IRS.

EXHIBIT 99.2

EXCHANGE OFFER FOR ALL OUTSTANDING
7.96% SENIOR NOTES DUE 2005
AND
8.11% SENIOR NOTES DUE 2009
OF

LEAR CORPORATION
PURSUANT TO THE PROSPECTUS DATED , 1999

To: Brokers, Dealers, Commercial Banks,
Trust Companies, and Other Nominees:

Lear Corporation (the "Company") is offering, upon the terms and subject to conditions set forth in the Prospectus, dated , 1999 (the "Prospectus"), and the enclosed Letter of Transmittal (the "Letter of Transmittal"), to exchange up to \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 (the "7.96% Exchange Notes") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 7.96% Senior Notes due 2005 (the "7.96% Original Notes") and up to \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009 (the "8.11% Exchange Notes," and together with the 7.96% Exchange Notes, the "Exchange Securities") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 8.11% Senior Notes due 2009 (the "8.11% Original Notes," and together with the 7.97% Original Notes, the "Original Securities"). The Exchange Offer is being made in order to satisfy certain obligations of the Company contained in the Registration Rights Agreement, dated May 18, 1999, by and among the Company, Lear Operations Corporation, Lear Corporation Automotive Holdings and the initial purchasers of the Original Securities from the Company.

Please forward to your clients for whose accounts you hold Original Securities registered in your name or in the name of your nominee copies of the following enclosed documents:

1. Prospectus dated , 1999;
2. The Letter of Transmittal to tender Original Securities for your use and for the information of your clients;
3. A Notice of Guaranteed Delivery to be used to accept the Exchange Offer if the other procedures for tendering Original Securities set forth in the Prospectus cannot be completed on a timely basis;
4. A form of letter which may be sent to your clients for whose account you hold Original Securities registered in your name or the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Exchange Offer;
5. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. Return envelopes addressed to The Bank of New York, the Exchange Agent for the Exchange Offer.

YOUR PROMPT ACTION IS REQUESTED. THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 1999, UNLESS EXTENDED BY THE COMPANY (THE "EXPIRATION DATE"). ORIGINAL SECURITIES TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME BEFORE THE EXPIRATION DATE.

To participate in the Exchange Offer, a duly executed and properly completed Letter of Transmittal (with any required signature guarantees) or, at the option of the tendering holder in the case of a book-entry tender, an agent's message (as defined in the Prospectus), and any other required documents, should be sent to the Exchange Agent and certificates representing the Original Securities should be delivered to

the Exchange Agent, all in accordance with the instructions set forth in the

Letter of Transmittal and the Prospectus.

If holders of Original Securities desire to tender their Original Securities, but it is impracticable for them to deliver the certificates for such Original Securities or other required documents or to complete the procedures for book-entry transfer prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures described in the Prospectus under the caption "The Exchange Offer -- Guaranteed Delivery Procedures."

The Company will, upon request, reimburse brokers, dealers, commercial banks, and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding the Prospectus and the related documents to the beneficial owners of Original Securities held by them as nominee or in a fiduciary capacity. The Company will pay or cause to be paid all stock transfer taxes applicable to the exchange of Original Securities pursuant to the Exchange Offer, except as set forth in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Exchange Offer, or requests for additional copies of the enclosed materials, should be directed to The Bank of New York, the Exchange Agent for the Exchange Offer, at its address and telephone number set forth on the front of the Letter of Transmittal.

Very truly yours,

LEAR CORPORATION

NOTHING HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF THE COMPANY OR THE EXCHANGE AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF EITHER OF THEM WITH RESPECT TO THE EXCHANGE OFFER, EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE PROSPECTUS OR THE LETTER OF TRANSMITTAL.

Enclosures

EXCHANGE OFFER FOR ALL OUTSTANDING

7.96% SENIOR NOTES DUE 2005

AND

8.11% SENIOR NOTES DUE 2009

OF

LEAR CORPORATION

PURSUANT TO THE PROSPECTUS DATED , 1999

To Our Clients:

Enclosed for your consideration is a Prospectus, dated , 1999 (the "Prospectus"), and the related Letter of Transmittal (the "Letter of Transmittal"), relating to the offer (the "Exchange Offer") by Lear Corporation (the "Company") to exchange up to \$600,000,000 aggregate principal amount of its 7.96% Series B Senior Notes due 2005 (the "7.96% Exchange Notes") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 7.96% Senior Notes due 2005 (the "7.96% Original Notes") and up to \$800,000,000 aggregate principal amount of its 8.11% Series B Senior Notes due 2009 (the "8.11% Exchange Notes," and together with the 7.96% Exchange Notes, the "Exchange Securities") which have been registered under the Securities Act for a like aggregate principal amount of its original unregistered 8.11% Senior Notes due 2009 (the "8.11% Original Notes," and together with the 7.96% Original Notes, the "Original Securities"), upon the terms and subject to the conditions described in the Prospectus and the Letter of Transmittal. The Exchange Offer is being made in order to satisfy certain obligations of the Company contained in the Registration Rights Agreement, dated May 18, 1999, by and among the Company, Lear Operations Corporation, Lear Corporation Automotive Holdings and the initial purchasers of the Original Securities from the Company.

We are (or our nominee is) the holder of record of Original Securities held by us for your account. A tender of such Original Securities can be made only by the holder of record and pursuant to your instructions. The Letter of Transmittal accompanying this letter is furnished to you for your information only and cannot be used by you to tender Original Securities held by us for your account.

Accordingly, we request instructions as to whether you wish us to tender on your behalf the Original Securities held by us for your account, pursuant to the terms and conditions set forth in the enclosed Prospectus and Letter of Transmittal. Your instructions should be forwarded to us as promptly as possible in order to permit us to tender Original Securities on your behalf (should you so desire) in accordance with the provisions of the Exchange Offer.

Your attention is directed to the following:

1. The Company is offering to exchange the 7.96% Exchange Notes for any and all of the 7.96% Original Notes and to exchange the 8.11% Exchange Notes for any and all of the 8.11% Original Notes.

2. The terms of the Exchange Securities are identical in all respects to the terms of the Original Securities, except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the Original Securities are not applicable to the Exchange Securities.

3. Subject to the satisfaction or waiver of certain conditions set forth in the Prospectus in the section captioned "The Exchange Offer -- Conditions to the Exchange Offer," the Company will exchange the applicable Exchange Securities for all Original Securities that are validly tendered and not withdrawn prior to the expiration of the Exchange Offer.

4. The Exchange Offer will expire at 5:00 p.m., New York City time, on
, 1999, unless extended by the Company.

5. You may withdraw tenders of Original Securities at any time prior to the expiration of the Exchange Offer.

6. The exchange of Original Securities for Exchange Securities pursuant to the Exchange Offer generally will not be a taxable event for U.S. federal income tax purposes. See "United States Federal Income Tax Considerations" in the enclosed Prospectus.

If you wish to have us tender your Original Securities, please so instruct us by completing, executing and returning to us the instruction form on the back of this letter. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER ORIGINAL SECURITIES HELD BY US FOR YOUR ACCOUNT.

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INSTRUCTIONS WITH RESPECT TO
THE EXCHANGE OFFER

The undersigned acknowledge(s) receipt of your letter and the enclosed material referred to therein relating to the Exchange Offer made by Lear Corporation with respect to the Original Securities. Terms used herein with initial capital letters have the respective meanings ascribed to them in your letter.

This will instruct you to tender the Original Securities held by you for the account of the undersigned, upon and subject to the terms and conditions set forth in the Prospectus and the related Letter of Transmittal.

[] Please tender the amount of Original Securities indicated below (or if no amount is indicated below, all Original Securities) held by you for my account.

\$ _____ Aggregate Principal Amount of 7.96% Original Notes

\$ _____ Aggregate Principal Amount of 8.11% Original Notes

[] Please do not tender any Original Securities held by you for my account.

Dated: _____ 1999
_____,

Signature(s)

Print Name(s) here:

Print Address(es):

Area Code and Telephone Number(s):

Tax Identification or
Social Security Number(s):

None of the Original Securities held by us for your account will be tendered unless we receive written instructions from you to do so. If you authorize the tender of Original Securities held by us for your account, all such Original Securities will be tendered unless a specific contrary instruction is given in the space provided.

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NOTICE OF GUARANTEED DELIVERY
FOR

TENDER OF
7.96% SENIOR NOTES DUE 2005
AND/OR

8.11% SENIOR NOTES DUE 2009
OF

LEAR CORPORATION

This notice or one substantially equivalent hereto must be used to accept the Exchange Offer of Lear Corporation (the "Company") made pursuant to the Prospectus, dated , 1999 (the "Prospectus"), if certificates for the original unregistered 7.96% Senior Notes due 2005 and/or the original unregistered 8.11% Senior Notes due 2009 of the Company (collectively, the "Original Securities") are not immediately available or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach The Bank of New York, as exchange agent (the "Exchange Agent"), prior to 5:00 p.m., New York City time, on the Expiration Date of the Exchange Offer.

This notice may be delivered or transmitted by facsimile transmission, mail, or hand delivery to the Exchange Agent as set forth below. In order to utilize the guaranteed delivery procedure to tender Original Securities pursuant to the Exchange Offer, both this notice and a properly completed and duly executed Letter of Transmittal (or, at the option of the tendering holder in the case of a book-entry tender of Original Securities, an agent's message (as defined in the Prospectus)) must be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date.

The Exchange Agent for the Exchange Offer is:

THE BANK OF NEW YORK

By Hand or Overnight Delivery:

The Bank of New York
101 Barclay Street
Corporate Trust Services Window
Ground Level
Attention: Tolutope Adeyujo
Reorganization Section

Facsimile Transmissions:
(Eligible Institutions Only)

(212) 815-4699

To Confirm by Telephone
or for Information Call:

(212) 815-2824

By Registered or Certified Mail:

The Bank of New York
101 Barclay Street, 7E
New York, New York 10286
Attention: Tolutope Adeyujo
Reorganization Section

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

The undersigned hereby tenders to Lear Corporation (the "Company") the principal amount of 7.96% Senior Notes due 2005 of the Company ("7.96% Original Notes") and/or the principal amount of 8.11% Senior Notes due 2009 of the Company ("8.11% Original Notes") set forth below pursuant to the guaranteed delivery procedure described in "The Exchange Offer -- Guaranteed Delivery Procedures" section of the Company's prospectus, dated _____, 1999 (the "Prospectus"). Terms used herein with initial capital letters but not otherwise defined herein have the respective meanings ascribed to them in the Prospectus.

Principal Amount of 7.96% Original Notes Tendered (must be an integral multiple of \$1,000):

\$ _____

Certificate Nos. (if available):

If 7.96% Original Notes will be delivered book-entry transfer to the Depository Trust Company, provide account number below.

Principal Amount of 8.11% Original Notes Tendered (must be an integral multiple of \$1,000):

\$ _____

Certificate Nos. (if available):

If 8.11% Original Notes will be delivered book-entry transfer to the Depository Trust Company, provide account number below.

ALL AUTHORITY HEREIN CONFERRED OR AGREED TO BE CONFERRED SHALL SURVIVE THE DEATH OR INCAPACITY OF THE UNDERSIGNED AND EVERY OBLIGATION OF THE UNDERSIGNED HEREUNDER SHALL BE BINDING UPON THE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS OF THE UNDERSIGNED.

IMPORTANT:

PLEASE SIGN HERE

Signature(s) of Holder(s) of Original Securities

Dated: _____ 1999

_____,

Must be signed by the registered holder(s) of Original Securities exactly as their name(s) appear(s) on the certificates for the Original Securities or on a security position listing, or by person(s) authorized to become registered holder(s) by endorsement and documents transmitted with this Notice of Guaranteed Delivery. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, please provide the following information.

Name: _____

(Please Type or Print)

Capacity (Full Title): _____

Address: _____

(Include a Zip Code)

Area Code and Telephone No.:

(Home)

(Business)

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GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a financial institution that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program, or the Stock Exchanges Medallion Program, hereby guarantees that the certificates representing the principal amount of Securities tendered hereby in proper form for transfer, or timely confirmation of the book-entry transfer of such Original Securities into the Exchange Agent's account at the Depository Trust Company pursuant to the procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures" section of the Prospectus, together with any required signature guarantee and any other documents required by the Letter of Transmittal, will be received by the Exchange Agent at the address set forth above, no later than three New York Stock Exchange trading days after the Expiration Date.

Name of Firm

Address

Telephone Number

Authorized Signature

Name of Person Signing

Title of Person Signing

Date

NOTE: DO NOT SEND CERTIFICATES FOR ORIGINAL SECURITIES WITH THIS FORM. CERTIFICATES FOR ORIGINAL SECURITIES SHOULD BE SENT ONLY WITH A COPY OF YOUR PREVIOUSLY EXECUTED LETTER OF TRANSMITTAL.