

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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 11, 2006

LEAR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-11311
(Commission File Number)

13-3386776
(IRS Employer Identification Number)

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

48034
(Zip Code)

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

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

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

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

Item 7.01 Regulation FD Disclosure.

On April 11, 2006, Lear Corporation issued a press release providing its 2006 financial guidance. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On April 11, 2006, certain officers of Lear Corporation will make a presentation at the 2006 Morgan Stanley Global Automotive Conference. The visual slides from the presentation are attached hereto as Exhibit 99.2 and incorporated by reference herein.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release issued April 11, 2006, furnished herewith.

99.2 Visual slides from the presentation to be made by certain officers of Lear Corporation at the 2006 Morgan Stanley Global Automotive Conference April 11, 2006, furnished herewith.

SIGNATURE

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

LEAR CORPORATION,
a Delaware corporation

Date: April 11, 2006

By: /s/ James H. Vandenberghe
Name: James H. Vandenberghe
Title: Vice Chairman and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued April 11, 2006, furnished herewith.
99.2	Visual slides from the presentation to be made by certain officers of Lear Corporation at the 2006 Morgan Stanley Global Automotive Conference April 11, 2006, furnished herewith.

FOR IMMEDIATE RELEASE**Contacts:**

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(248) 447-1624

Andrea Puchalsky — Media
(248) 447-1651

Lear Corporation Provides 2006 Financial Guidance

Southfield, Mich., (April 11, 2006) — Lear Corporation [NYSE: LEA] today will provide 2006 financial guidance in a presentation at the Morgan Stanley Global Automotive Conference in New York, as follows:

Lear expects record worldwide net sales in 2006 of approximately \$17.7 billion, reflecting primarily the addition of new business globally, offset in part by unfavorable platform mix and the adverse impact of foreign exchange.

Lear anticipates 2006 income before interest, other expense, income taxes, impairments, restructuring costs and other special items (core operating earnings) to be in the range of \$400 to \$440 million. This compares with \$325 million a year ago. Restructuring costs for 2006 are estimated to be in the \$120 to \$150 million range. A reconciliation of core operating earnings to pretax loss as determined by generally accepted accounting principles is provided in the supplemental data page.

Interest expense is estimated in the range of \$220 to \$230 million, compared with \$183 million last year. Pretax income before impairments, restructuring costs and other special items is estimated in the \$120 to \$160 million range, compared with \$97 million last year. A reconciliation of pretax income before impairments, restructuring costs and other special items to pretax loss is provided in the supplemental data page. Cash taxes are expected to be between \$80 and \$100 million, compared with \$113 million last year.

Free cash flow is expected to be positive for the year, in the range of \$50 to \$100 million, compared with a negative \$419 million a year ago. This reflects improved earnings, lower capital spending, reduced tooling and engineering costs and improved net working capital, offset in part by higher cash costs for restructuring. Due to the seasonality of working capital, as well as restructuring costs and the launch of the GM large sport utility vehicles, free cash flow for the first quarter will be negative but is expected to improve during the balance of the year. A reconciliation of free cash

(more)

flow to net cash provided by operating activities is provided in the supplemental data page. (Net cash provided by operating activities for 2005 was \$561 million.)

Capital spending in 2006 is estimated at approximately \$400 million, down from last year's peak level due primarily to lower launch activity. Depreciation and amortization are estimated in the range of \$410 to \$420 million, compared with \$393 million last year.

Key assumptions underlying Lear's financial outlook include expectations for industry vehicle production of approximately 15.7 million units in North America and 18.8 million units in Europe, both down slightly from 2005. Lear continues to see its top fifteen platforms in North America being down more than the industry average. In addition, we are assuming an exchange rate of \$1.20/Euro, slightly weaker than a year ago. Lastly, the financial outlook includes all existing Lear operations for the full year.

Lear Corporation is one of the world's largest suppliers of automotive interior systems and components. Lear provides complete seat systems, electronic products and electrical distribution systems and other interior products. With annual net sales of \$17.1 billion, Lear ranks #127 among the Fortune 500. The Company's world-class products are designed, engineered and manufactured by a diverse team of 115,000 employees at 282 locations in 34 countries. Lear's headquarters are in Southfield, Michigan, and Lear is traded on the New York Stock Exchange under the symbol [LEA]. Further information about Lear is available on the Internet at <http://www.lear.com>.

Use of Non-GAAP Financial Information

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP") included throughout this press release, the Company has provided information regarding certain non-GAAP financial measures. These measures include "income before interest, other expense, income taxes, impairments, restructuring costs and other special items" (core operating earnings), "pretax income before impairments, restructuring costs and other special items" and "free cash flow." Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. The Company believes it is appropriate to exclude the net change in sold accounts receivable in the calculation of free cash flow since the sale of receivables may be viewed as a substitute for borrowing activity.

Management believes that the non-GAAP financial measures used in this press release are useful to both management and investors in their analysis of the Company's financial position and results of operations. In particular, management believes that core operating earnings and pretax income before impairments, restructuring costs and other special items are useful measures in assessing the

Company's financial performance by excluding certain items that are not indicative of the Company's core operating earnings or that may obscure trends useful in evaluating the Company's continuing operating activities. Management also believes that these measures are useful to both management and investors in their analysis of the Company's results of operations and provide improved comparability between fiscal periods. Management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses these non-GAAP financial measures for planning and forecasting in future periods.

Core operating earnings, pretax income before impairments, restructuring costs and other special items and free cash flow should not be considered in isolation or as substitutes for net income (loss), pretax income (loss), cash provided by operating activities or other income statement or cash flow statement data prepared in accordance with GAAP or as measures of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

For a reconciliation of 2005 core operating earnings to pretax loss as determined by generally accepted accounting principles, a reconciliation of 2005 pretax income before impairments, restructuring costs and other special items to pretax loss and a reconciliation of 2005 free cash flow to net cash provided by operating activities, see the supplemental data page which, together with this press release, have been posted on the Company's website through the Investor Relations link at www.lear.com. Given the inherent uncertainty regarding special items and the net change in sold accounts receivable in any future period, a reconciliation of forward- looking financial measures is not feasible. The magnitude of these items, however, may be significant.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates, fluctuations in the production of vehicles for which the Company is a supplier, labor disputes involving the Company or its significant customers or suppliers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, the outcome of customer productivity negotiations, the impact and timing of program launch costs, the costs and timing of facility closures, business

realignment or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, competitive conditions impacting the Company's key customers and suppliers, raw material costs and availability, the Company's ability to mitigate the significant impact of recent increases in raw material, energy and commodity costs, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in cash flow, the finalization of the Company's restructuring strategy and other risks described from time to time in the Company's Securities and Exchange Commission filings. In addition, the Company's previously disclosed agreement in principle to contribute its European Interiors business to a joint venture with WL Ross & Co. LLC and the Company's previously disclosed financing commitments for \$800 million in secured term loans are subject to the negotiation and execution of definitive agreements and other conditions. No assurances can be given that these proposed transactions will be completed on the terms contemplated or at all.

The forward-looking statements in this press release are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

###

Lear Corporation and Subsidiaries
Supplemental Data

(Unaudited; in millions)

	<u>2005</u>
<u>Income before interest, other expense, income taxes, impairments, restructuring costs and other special items *</u>	
Loss before provision for income taxes	\$ (1,187.2)
Goodwill impairment charges	1,012.8
Interest expense	183.2
Other expense, net	96.6
Restructuring actions	106.3
Fixed asset impairment charges	82.3
Litigation charges	<u>30.5</u>
Income before interest, other expense, income taxes, impairments, restructuring costs and other special items (Core Operating Earnings)	<u>\$ 324.5</u>
<u>Pretax income before impairments, restructuring costs and other special items *</u>	
Loss before provision for income taxes	\$ (1,187.2)
Goodwill impairment charges	1,012.8
Restructuring actions	102.8
Fixed asset impairment charges	82.3
Litigation charges	39.2
Sale and capital restructuring of joint ventures	<u>46.7</u>
Pretax income before impairments, restructuring costs and other special items	<u>\$ 96.6</u>
<u>Free cash flow *</u>	<u>\$ 560.8</u>
Net cash provided by operating activities	\$ 560.8
Net change in sold accounts receivable	<u>(411.1)</u>
Net cash provided by operating activities <u>before</u> net change in sold accounts receivable	149.7
Capital expenditures	<u>(568.4)</u>
Free cash flow	<u>\$ (418.7)</u>

* See "Use of Non-GAAP Financial Information" included in this news release.

2006 Morgan Stanley Global Automotive Conference

April 11, 2006



advance relentlessly

**Increasing Our Product-Line Focus
and Improving Our Global
Competitiveness**



▶▶ Company Overview

- *Bob Rossiter, Chairman and CEO*

▶▶ Product-Line Strategies and Operating Priorities

- *Doug DelGrosso, President and Chief Operating Officer*

▶▶ Financial Update

- *Jim Vandenberghe, Vice Chairman and Chief Financial Officer*



Company Overview

2005 Net Sales: \$17.1B

Seating Systems



2005 Net Sales: \$11.0B

- ▶▶ Manufacture, assemble and supply vehicle seating requirements
- ▶▶ Produce seat systems for automobiles and light trucks
- ▶▶ Fully assembled and ready for installation

Electronic & Electrical



2005 Net Sales: \$3.0B

- ▶▶ Manufacture, assemble and supply electronic systems and components
- ▶▶ Electrical distribution systems
- ▶▶ Interior control and entertainment systems
- ▶▶ Wireless systems

Interior Products



2005 Net Sales: \$3.1B

- ▶▶ Manufacture, assemble and supply interior systems and components
- ▶▶ Instrument panels and cockpit systems
- ▶▶ Headliners and overhead systems
- ▶▶ Door panels
- ▶▶ Flooring and acoustic systems



- ▶▶ Manage the business to improve product-line returns
 - Strengthen leadership position in Seating
 - Grow Electrical Distribution Systems and Electronic Products
 - Finalize and execute Interior business strategy

- ▶▶ Improve global competitiveness
 - Continuously improve quality and customer satisfaction levels
 - Base future “productivity” agreements on cost reduction
 - Increase low-cost country manufacturing, sourcing and engineering
 - Leverage scale, expertise and common architecture strategy

- ▶▶ Maintain a strong and flexible balance sheet
 - Permits operating and customer focus through all market conditions and industry cycles

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



Lear Value Proposition*

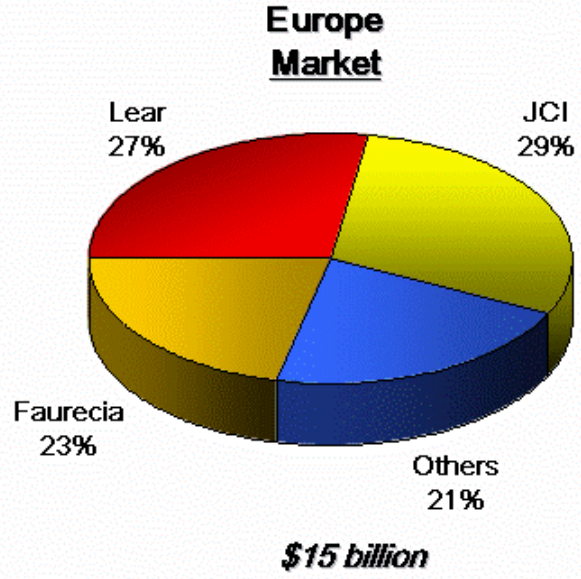
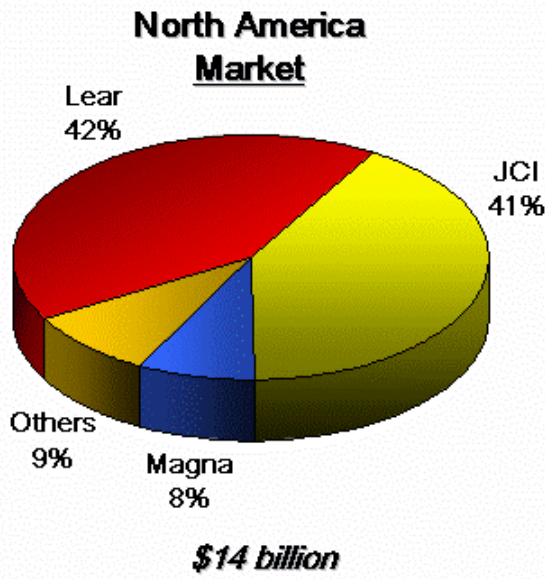
- ▶▶ Structural cost reductions to adjust business to changing environment
- ▶▶ Refocused resources on core businesses and operations
- ▶▶ Strong relationships with existing customers and changing pricing dynamic
- ▶▶ Developing relationships with Asian OEMs, globally
- ▶▶ Proactive, collaborative culture with vendor base
- ▶▶ Profitable, disciplined growth and continuing sales diversification
- ▶▶ Management team with extensive industry experience and relentless focus on value
- ▶▶ Continued success as industry dynamics evolve over next several years

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

Product-Line Strategies and Operating Priorities



Seating Systems Market Leadership



Total Global Seating Market Including Asia / ROW About \$40 Billion

Source: Lear Market Research 2004



Seating Leadership Strengths



Customer / Platform Breadth

- ▶ Supply all major OEMs, globally
- ▶ Products across all vehicle segments
- ▶ "Best-in-class" expertise across platforms

Customer Focused

- ▶ Industry leading benchmarking capabilities via Cost Technology Optimization ("CTO")
- ▶ Consumer benchmarking and consumer-driven technology
- ▶ Long-term collaborative partnerships

Global Footprint

- ▶ Leverage R&D globally
- ▶ Execute on global program launches

Quality Leader

- ▶ Proven launch execution
- ▶ Improve perceived customer / vehicle quality
- ▶ Lower overall system costs

Cost Competitive

- ▶ Low-cost country footprint for components
- ▶ JIT assembly expense
- ▶ Vertical integration capabilities

***Global Reach And Experience Provides
Continuing Competitive Advantage***





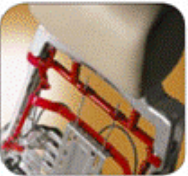
- ▶ **Lear intends to strengthen its leadership position in seating . . .**

Superior quality, leveraging common architecture strategy, selective vertical integration and new product innovation



- ▶ **Global seating margin profile expected to return to historical levels by 2008 . . .**

Supported by backlog sales, continued diversification (by customer and platform type), cost improvements, restructuring savings and a return to more normal launch cost levels



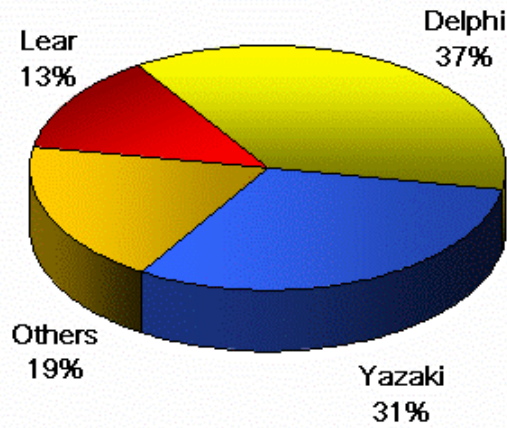
* Please see slide titled "Forward-Looking Statements" at the end of this presentation for further information.



Electrical Distribution Market Overview

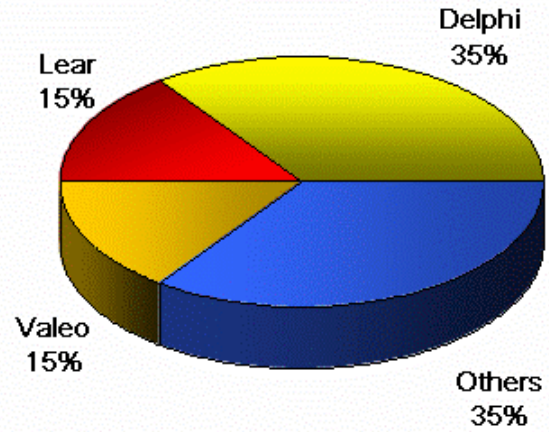


North America Market



\$5 billion

Europe Market



\$7 billion

Total Global EDS Market Including Asia / ROW About \$20 Billion

Source: Lear Market Research 2004



Electronic and Electrical Distribution Strengths*



- ▶▶ Continue to maintain low-cost footprint for wire harnesses
 - Shifted operations to Eastern Europe, Honduras, Philippines and North Africa
- ▶▶ Offer full electrical distribution system through selective vertical integration of terminals and connectors
 - Control cost, quality and functionality
 - Represents 30 - 40% of wire harness cost
- ▶▶ Complements our interior expertise by:
 - Designing electrical distribution throughout the interior more efficiently
 - Smart junction box expertise
 - Enhancing strategic product development and technologies
 - Tire Pressure Monitoring Systems
 - Universal Garage Door Opener
 - Infotainment systems

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





- ▶ **Pursue profitable electrical and electronics growth globally . . .**



New programs with Asian OEMs, selective vertical integration and enhanced revenue with new products and technologies



- ▶ **Maintain healthy electronic and electrical margin profile . . .**



Expanding low-cost sourcing and engineering cost improvements, restructuring savings and product innovation

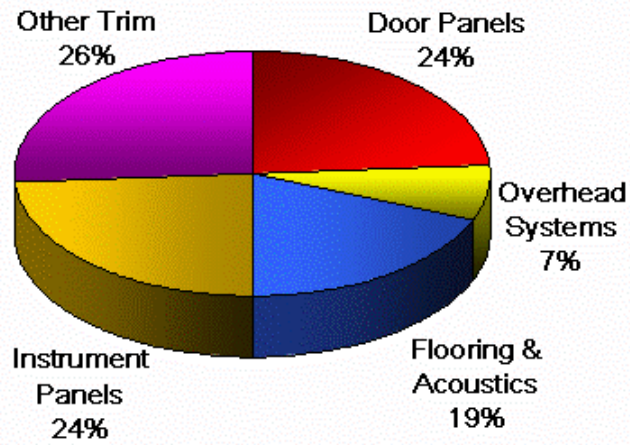
* Please see slide titled "Forward-Looking Statements" at the end of this presentation for further information.



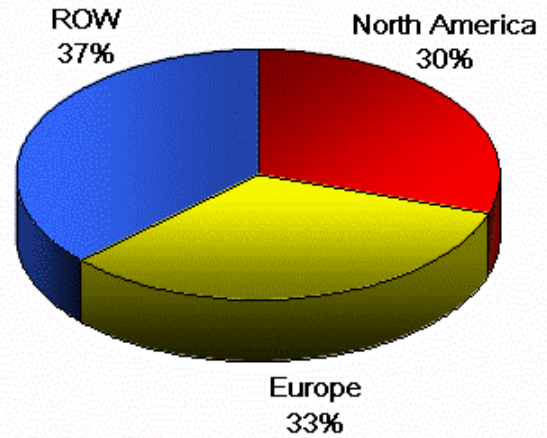
Estimated Global Interior Products Market Overview



By Major Product



By Major Market



Total Global Interior Products Market About \$30 Billion

Source: Lear Market Research 2004



Interior Products

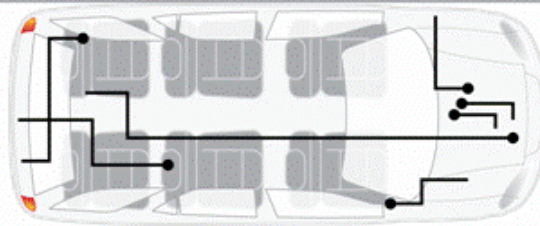
Exploring Strategic Alternatives*



- ▶ Business characteristics
 - Industry over-capacity
 - High raw material costs
 - Insufficient pricing
- ▶ Near-term operational actions
 - Restructuring actions to eliminate excess capacity
 - Improve or resource low-return programs / components
 - Marginal business not being renewed
- ▶ Announced LOI with WL Ross with respect to European operations
 - WL Ross purchased C&A Europe operations
 - ISD Europe expected to be combined with C&A Europe in the International Automotive Components Group (IAC) joint venture
 - Lear would retain initial non-controlling equity interest in the JV of 34%
- ▶ Alternatives being explored with respect to North American operations
 - Continue to operate under a framework agreement with WL Ross to evaluate C&A and / or other targets
 - May consider outright sale of segment
 - Continue to selectively exit lower return business



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



CORE DIMENSIONS STRATEGY



SAFETY

- ProTec™ PLUS
- Active Front Light System
- IntelliTire™
- Car2U™ Two-Way Remote Keyless Entry
- Immobilizer
- Foam in Place Head Impact Countermeasure



ENVIRONMENTAL

- Lt. Weight Back panel
- Soy Foam
- Polyurethane Foam Alternatives
- Battery Monitor System
- DC/AC Inverters



FLEXIBILITY

- Cushion Tilt 2nd Row
- Remote Release 2nd Row Easy Entry
- Thin Profile Folding Rear
- SmartFold™ 3rd Row



COMFORT & CONVENIENCE

- Comfortec
- Climate Seat
- Fluid Power Motion
- Passive Entry
- Car2U™ Home Automation System
- Pneumatic Seat
- Integrated Seat Adjuster Module



INFOTAINMENT

- Premium Audio Amplifier
- Rear Seat Entertainment
- TV Receiver Analog



COMMONIZATION

- Lear Flexible Seat Architecture
- Gateway Modub
- Passive Junction Box
- Smart Junction Box



CRAFTSMANSHIP

- Sculpted Seat Technology
- Flat Flexible Cable
- Seamless Airbag Cover
- TrimClip
- Insert Molded Carpet



▶▶ Retain Core Values

- Quality First / Customer Satisfaction

▶▶ Customer / Regional Diversification

- Execute our Asian Strategy

▶▶ Operational Excellence

- Competitive Manufacturing Cost Structure
- Collaborative Cost Reduction Capability
- Maintaining Labor Competitiveness
- Flawless Launch Management

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



Retain Core Values

Quality

Internal Quality Measures

- ▶ Continuous improvement

J.D. Power Seat Quality Survey

- ▶ 6% improvement in TGW over 2004
- ▶ 35% improvement since 1999
- ▶ 4 Best-in-Segment vehicles
 - Full-size Car: Ford 500
 - Pickup: Chevrolet Avalanche
 - Sport Utility: BMW X3
 - Van: Chevrolet Express
- ▶ Highest quality major seat supplier for past five years

Source: J.D. Power 2005

Customer Satisfaction

- ▶ "Best-In Class" Launch Execution for the GMT900
- ▶ Breakthrough technology for power remote 2nd row seats for the GMT900
- ▶ FAW - Volkswagen "Excellent Localization Award" in China
- ▶ GM "Service Parts Award" (100% on time delivery) in Indiana and Ontario
- ▶ Ford "Q1 Award" in Sweden and China
- ▶ Nissan "Zero Defects" Toluca, Mexico
- ▶ Toyota "Quality Award" Port Huron, MI
- ▶ Volkswagen "Supplier Award 2005" Besigheim, Germany
- ▶ Autodata Magazine "Among the Best in the Automotive Sector 2005"
- ▶ Honored by Toyota for Superior Supplier Diversity and Excellence in Quality 2006

Key to Sales Diversification Success

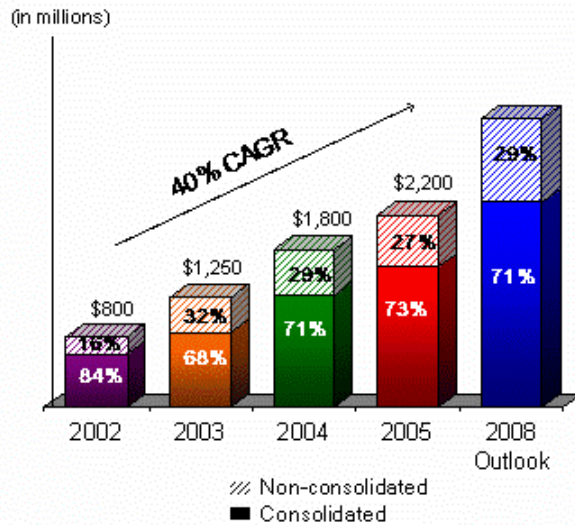


**Target Customers: Major Japanese, Korean
And Chinese Automakers**

Continue to Diversify Customer Base*



Revenue in Asia and with Asian Manufacturers



2005 Performance Highlights

- ▶ Supported successful launch of Hyundai's first North American plant (seats, wiring, TPMS)
- ▶ Four recent program awards with Nissan (seats, wiring, carpets)
- ▶ Two new manufacturing facilities in China to support Hyundai and BMW
- ▶ Established TACLE JV - strategic for entry into Nissan seat programs

2006 Key Launches

Hyundai Santa Fe
Nissan Versa
Nissan Sentra
Ford Galaxy (China)

Lear Content

Seats, TPMS
OH Systems, Trim
OH Systems, Trim
Seats

Rapid Growth In Asian Sales Led By Expanding Relationships With Hyundai, Nissan And Toyota

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



Operational Excellence Competitive Manufacturing Cost Structure*

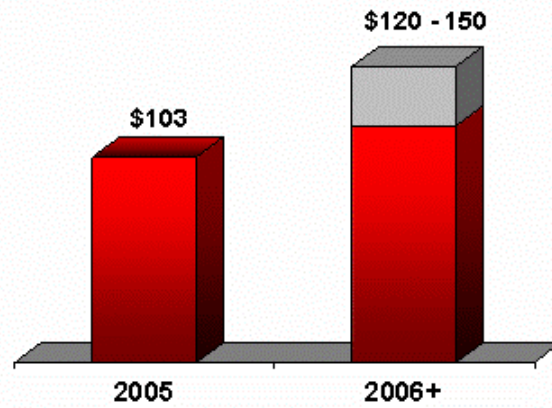


Restructuring Objectives

- ▶ Eliminate excess capacity
- ▶ Accelerate move to lower-cost sources
- ▶ Streamline organization and improve operational efficiency

Pretax Restructuring Costs

(in millions)



***Estimated Payback Of Restructuring
Initiatives Is 2.5 Years***

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



Restructuring Actions – Update*

2005 Actions

- Initiated closure of 7 manufacturing facilities in US, Mexico and Europe to improve competitiveness
 - 4 plants closed to eliminate excess / inefficient manufacturing capacity
 - 3 plants closed with operations moving to low-cost countries, including Romania, Turkey and Mexico
- Initiated actions affecting 27 other manufacturing facilities and administrative offices including:
 - Improved or resourced low-return programs / components
 - Eliminated excess / inefficient capacity
 - Headcount reductions at manufacturing facilities and administrative offices

2006/2007 Actions

- Evaluating closure of 10 additional manufacturing facilities
 - 4 plants to be closed to eliminate excess manufacturing capacity
 - 6 plants to be closed with operations moving to low-cost regions / countries, including Eastern Europe and Mexico
- Evaluating actions affecting 7 other manufacturing facilities and administrative offices
 - Primarily headcount reduction actions at manufacturing facilities and administrative offices

- ▶▶ Timing of individual plant actions remains flexible given labor, government and customer negotiations
- ▶▶ Announced customer capacity reductions considered in existing restructuring estimates

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



Lear's Low-Cost Global Footprint Manufacturing, Supply and Engineering Locations



Manufacturing and Supply Sources

Europe

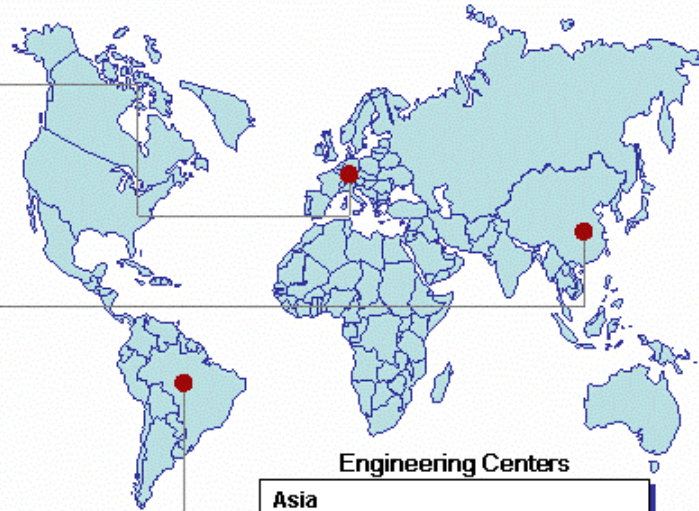
Czech Republic
Estonia
Hungary
Poland
Romania
Slovakia
Turkey

Asia

Philippines
China
Korea
Taiwan
Thailand

South America

Brazil
Argentina
Honduras



Engineering Centers

Asia

China
India
Philippines

- ▶ **Approximately 25% of sales manufactured in low-cost locations**
- ▶ **Move to low-cost countries accelerated through restructuring activities**
 - Execution risk is limited due to existing operations and experience. Limited investment required, utilizing existing facilities.

CRITERIA

- High Labor Content
- High Pack Density
- Available Raw Material
- No Patent Issues
- Minimal Investment Required
- Minimal Engineering Changes
- Quality LCC Supplier Available

Examples Include:

- Connectors
- Key Fobs
- Grab Handles
- Cut and Sew
- Misc. Switches
- Equipment / Tooling / Racks
- Seat Components
- Seat Motors
- RKE Receiver

***Increased Low-Cost Buy From 17% In 2002
To 24% In 2005; Targeting Additional 3% In 2006***



Cost Technology Optimization (CTO) Centers

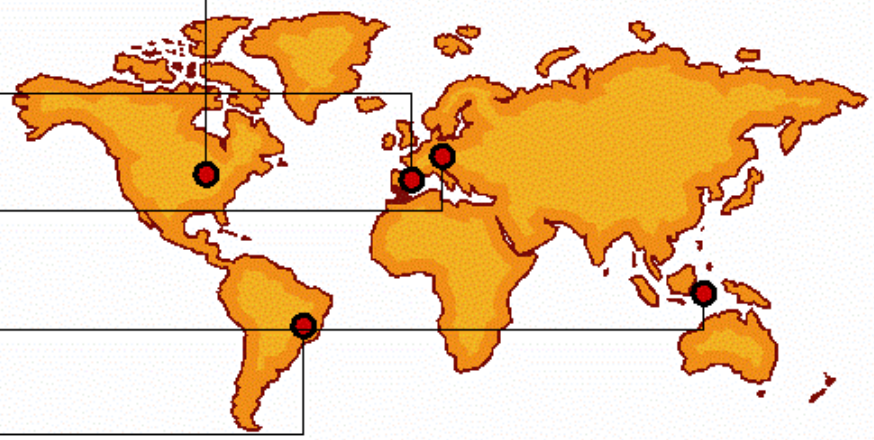
North America
Dearborn, Michigan
Southfield, Michigan

Europe, EDS
Valls, Spain

Europe, Seating/Interior Products
Munich, Germany

Asia, Electrical
Cebu, Philippines

South America
Sao Paulo, Brazil



6 Global CTO Centers Evaluate All Areas For Cost Reduction



Collaborative Cost Reduction Example*



> Toyota Sienna Seat Example:



Current Sienna



Proposed Seat
Lear Leather

Description of Opportunity	Savings
Utilize Lear Leather	Affected Vehicle Toyota Sienna *All other New Potential Vehicles ie., Canada and San Antonio
Benefit(s)	
<ul style="list-style-type: none"> Expert in leather and product development Supplier to major OEM's Low logistical risk Diversified crust supply base Improved supply chain management Complete pipeline management Improved warranty costs Superior quality 	
Vehicle	Affected Volume
Sienna	49,152
All other vehicle volume	87,000
Annual Savings	
Sienna	\$1.5M
All Other North American Savings	\$1.0M
Investment	
Sienna	\$98,100
Lifetime Savings	
Sienna	\$7.5M (5 Years)
Action Required	
<ul style="list-style-type: none"> TEMA to approve Lear Leather (Place on Leather Shelf) TEMA to write ECI to approve Lear Leather on Sienna. 	
Current Customers	Implementation Target Date
<ul style="list-style-type: none"> Hyundai Ford GM 	<ul style="list-style-type: none"> September 2006

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



Operational Excellence Maintaining Labor Competitiveness*



- ▶▶ Regular, open dialogue with all unions
- ▶▶ Candid assessment of business outlook
- ▶▶ Establish broad competitiveness framework
- ▶▶ No master contract; considerable plant flexibility
- ▶▶ Relatively young workforce; small percent of retirees
- ▶▶ No significant legacy cost or barriers to competitiveness

***Productive History Of Working Together With Labor;
Long-Term Competitiveness Expected To Continue***

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



Operational Excellence

2006 Key Product Launches



Product

Lear Content

Americas

- ▶▶ GMT900 SUVs/Pickups
- ▶▶ Hyundai Santa Fe
- ▶▶ Nissan Versa
- ▶▶ Nissan Sentra
- ▶▶ DCX Caliber/Compass/Patriot

- Seats, doors
- Seats, TPMS
- Overhead systems, trim
- Overhead systems, trim
- Overhead systems, trim, doors, flooring, IP

Chevrolet Tahoe



International

- ▶▶ VW Cabrio
- ▶▶ Peugeot 207
- ▶▶ Hyundai EN (new SUV)
- ▶▶ Ford Galaxy
- ▶▶ Fiat Stilo
- ▶▶ Range Rover

- Seats
- Seats
- Seats
- Seats
- Seats
- Seats, electronics

Peugeot 207



In Addition, Multiple Launches Throughout Asia Represent A Significant Portion Of Our Backlog



Financial Update



- ▶▶ Received underwritten bank commitments for \$800 million in new secured term loans
- ▶▶ Reached agreement in principle to contribute European Interior business to Ross JV in return for a 34% stake in European venture
- ▶▶ Full year 2006 guidance being provided today
- ▶▶ First quarter earnings conference call scheduled for April 26

Company Is Financially Sound And Operating Results Are Expected To Improve This Year

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



2006 Guidance Key Assumptions*



	<u>2006 Guidance</u>	<u>2006 vs. 2005</u>
North America		
Industry	15.7 mil	down slightly
Lear's Top 15 Platforms	5.0 mil	down about 5%
Lear Launches	high level	down from 2005 peak
Europe		
Industry	18.8 mil	down slightly
Lear's Top 5 Customers	9.3 mil	down slightly
Lear Launches	moderate	about the same
Euro	\$1.20 / Euro	4% weaker

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



2006 Guidance Key Financial Projections*



<u>(in millions)</u>	<u>2005</u>	<u>2006 Guidance</u>
Net Sales	\$17,089	≈\$17,700
<u>Core Operating Earnings</u>	\$325	\$400 - 440
Income before interest, other expenses, income taxes, impairments, restructuring costs and other special items		
Interest Expense	\$183	\$220 - 230
<u>Pretax Income</u>	\$97	\$120 - 160
before impairments, restructuring costs and other special items		
Cash Taxes	\$113	\$80 - 100
Pretax Restructuring Costs	\$103	\$120 - 150

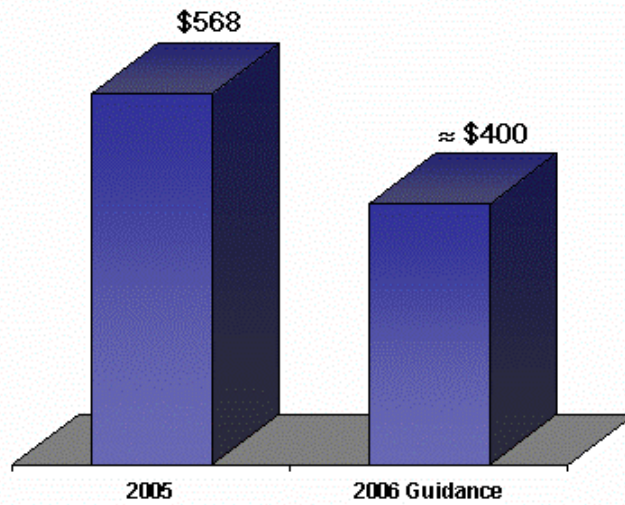
* Please see slides titled "Use of Non-GAAP Financial Information" and "Forward-Looking Statements" at the end of this presentation for further information.



2006 Guidance Trend of Capital Spending*



(in millions)



Capital Spending Impacts:

- ▶ Record Launches
- ▶ Lear Flexible Seating Architecture (LFSA)
- ▶ Low-Cost Country

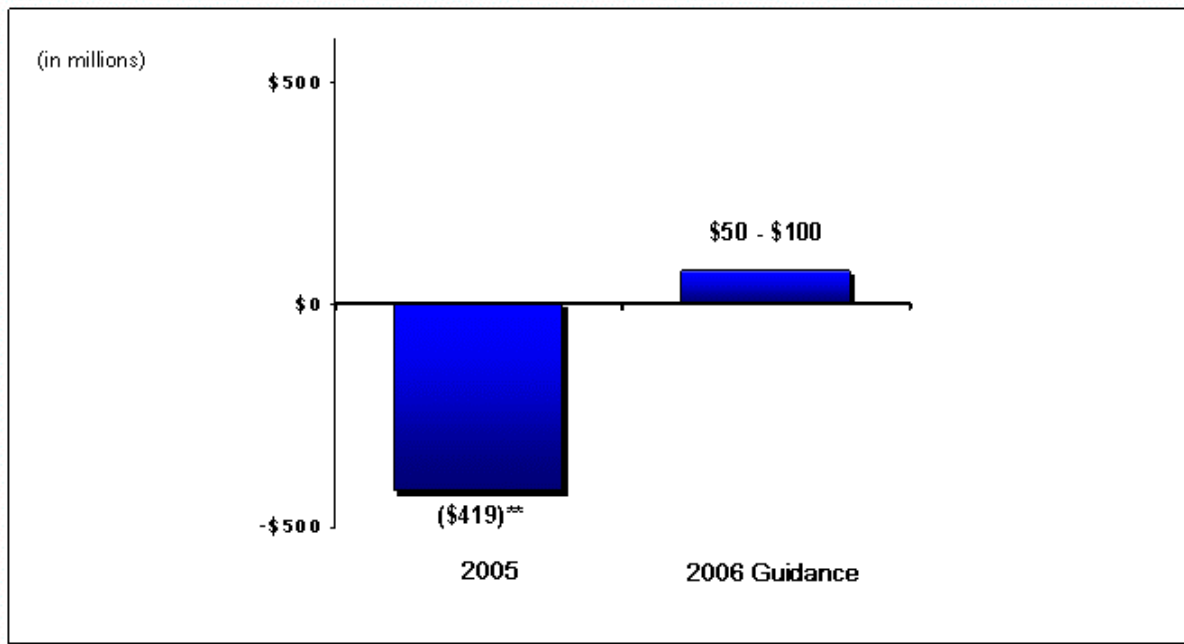
Memo: Depreciation and Amortization	2005	2006 Guidance
	\$ 393	\$410 to \$420

**Capital Spending Level Should
Trend Lower On An Ongoing Basis**

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



2006 Guidance Free Cash Flow Forecast*



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

** Net cash provided by operating activities for 2005 was \$561 million.



- ▶▶ New expected financing addresses 2007 maturities
- ▶▶ Increased product-line focus to improve financials
- ▶▶ Implementing global initiative to improve future competitiveness
- ▶▶ 2006 results expected to improve
- ▶▶ Longer-term outlook remains positive

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





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Use of Non-GAAP Financial Information



In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP") included throughout this presentation, the Company has provided information regarding certain non-GAAP financial measures. These measures include "income before interest, other expense, income taxes, impairments, restructuring costs and other special items" (core operating earnings), "pretax income before impairments, restructuring costs and other special items" and "free cash flow." Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. The Company believes it is appropriate to exclude the net change in sold accounts receivable in the calculation of free cash flow since the sale of receivables may be viewed as a substitute for borrowing activity.

Management believes that the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company's financial position and results of operations. In particular, management believes that core operating earnings and pretax income before impairments, restructuring costs and other special items are useful measures in assessing the Company's financial performance by excluding certain items that are not indicative of the Company's core operating earnings or that may obscure trends useful in evaluating the Company's continuing operating activities. Management also believes that these measures are useful to both management and investors in their analysis of the Company's results of operations and provide improved comparability between fiscal periods. Management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses these non-GAAP financial measures for planning and forecasting in future periods.

Core operating earnings, pretax income before impairments, restructuring costs and other special items and free cash flow should not be considered in isolation or as substitutes for net income (loss), pretax income (loss), cash provided by operating activities or other income statement or cash flow statement data prepared in accordance with GAAP or as measures of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Set forth on the following slides are reconciliations of these non-GAAP financial measures for 2005 to the most directly comparable financial measures calculated and presented in accordance with GAAP. Given the inherent uncertainty regarding special items and the net change in sold accounts receivable in any future period, a reconciliation of forward-looking financial measures is not feasible. The magnitude of these items, however, may be significant.



Use of Non-GAAP Financial Information



**Income before interest, other expense, income taxes,
impairments, restructuring costs and other special
items**

	<u>2005</u>
	(in millions)
Loss before provision for income taxes	\$ (1,187.2)
Goodwill impairment charges	1,012.8
Interest expense	183.2
Other expense, net	96.6
Restructuring actions	106.3
Fixed asset impairment charges	82.3
Litigation charges	<u>30.5</u>
Income before interest, other expense, income taxes, impairments, restructuring costs and other special items (Core Operating Earnings)	<u>\$ 324.5</u>

Use of Non-GAAP Financial Information



Pretax income before impairments, restructuring costs and other special items

	<u>2005</u>
	(in millions)
Loss before provision for income taxes	\$ (1,187.2)
Goodwill impairment charges	1,012.8
Restructuring actions	102.8
Fixed asset impairment charges	82.3
Litigation charges	39.2
Sale and capital restructuring of joint ventures	<u>46.7</u>
Pretax income before impairments, restructuring costs and other special items	<u>\$ 96.6</u>

Use of Non-GAAP Financial Information



Free Cash Flow

	2005
	(in millions)
Net cash provided by operating activities	\$ 560.8
Net change in sold accounts receivable	<u>(411.1)</u>
Net cash provided by operating activities before net change in sold accounts receivable (cash from operations)	\$ 149.7
Capital expenditures	<u>(568.4)</u>
Free cash flow	<u>\$ (418.7)</u>

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates, fluctuations in the production of vehicles for which the Company is a supplier, labor disputes involving the Company or its significant customers or suppliers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, the outcome of customer productivity negotiations, the impact and timing of program launch costs, the costs and timing of facility closures, business realignment or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, competitive conditions impacting the Company's key customers and suppliers, raw material costs and availability, the Company's ability to mitigate the significant impact of recent increases in raw material, energy and commodity costs, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in cash flow, the finalization of the Company's restructuring strategy referred to herein and other risks described from time to time in the Company's Securities and Exchange Commission filings. In addition, the Company's previously disclosed agreement in principle to contribute its European Interiors business to a joint venture with WL Ross & Co. LLC and the Company's previously disclosed financing commitments for \$800 million in term loans are subject to the negotiation and execution of definitive agreements and other conditions. No assurances can be given that these proposed transactions will be completed on the terms contemplated or at all.

The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

