
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) January 12, 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, Michigan

(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 January 12, 2006, certain officers of Lear Corporation will make a presentation at the Auto Analysts of New York 2006 Detroit Auto Conference. The visual slides from the presentation are attached hereto as Exhibit 99.1 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.

(d) Exhibits

- 99.1 Visual slides from the presentation to be made by certain officers of Lear Corporation at the Auto Analysts of New York 2006 Detroit Auto Conference on January 12, 2006, furnished herewith.

SIGNATURES

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

Lear Corporation

Date: January 12, 2006

By: /s/ David C. Wajsgras

Name: David C. Wajsgras

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Visual slides from the presentation to be made by certain officers of Lear Corporation at the Auto Analysts of New York 2006 Detroit Auto Conference on January 12, 2006, furnished herewith.

Auto Analysts of New York

advance relentlessly

Detroit Auto Show Conference

January 12, 2006



- I. Business Conditions
Jim Vandenberghe, Vice Chairman

- II. Directional 2006 Outlook and Sales Backlog Update
Dave Wajsgras, EVP and CFO

- III. Closing Comments
Bob Rossiter, Chairman and CEO



Highlights of Today's Presentation*



- ▶▶ Global business conditions remain challenging
- ▶▶ Lear taking a product-line focus to improve financials
- ▶▶ New three-year sales backlog supports growth in all product segments
- ▶▶ 2006 financial outlook expected to improve

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



Business Conditions



- ▶▶ Continued mixed economic signals
- ▶▶ Production environment remains challenging
- ▶▶ Sustained high energy and raw material prices
- ▶▶ Increasing distress throughout the supply base
- ▶▶ Intense industry focus on cost reduction

Adverse Industry Factors Continue To Impact Lear's Financial Results

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



Production Environment*



	<u>2005</u>	<u>2006 vs. 2005</u>
North America		
Industry	15.7 mil	roughly flat
Big Three	10.8 mil	flat to slightly down
Lear's Top 15 Platforms	5.4 mil	flat to slightly down
Lear Launches	peak level	fewer
Lear Plant Downweeks	over 200	fewer, but still numerous
Europe		
Industry	18.8 mil	roughly flat
Lear's Top 5 Customers	9.6 mil	slightly down
Lear Launches	moderate	about the same

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

Launches



Ford Explorer

Seats, Doors, Electrical Distribution



Ford Fusion

Seats



Cadillac DTS / Buick Lucerne
Total Interior Integrator Program,
Electrical Distribution



DCX Dodge Ram Truck

Seats, Doors, IP,
Overhead Systems



Hyundai Sonata

Seats, Electrical Distribution



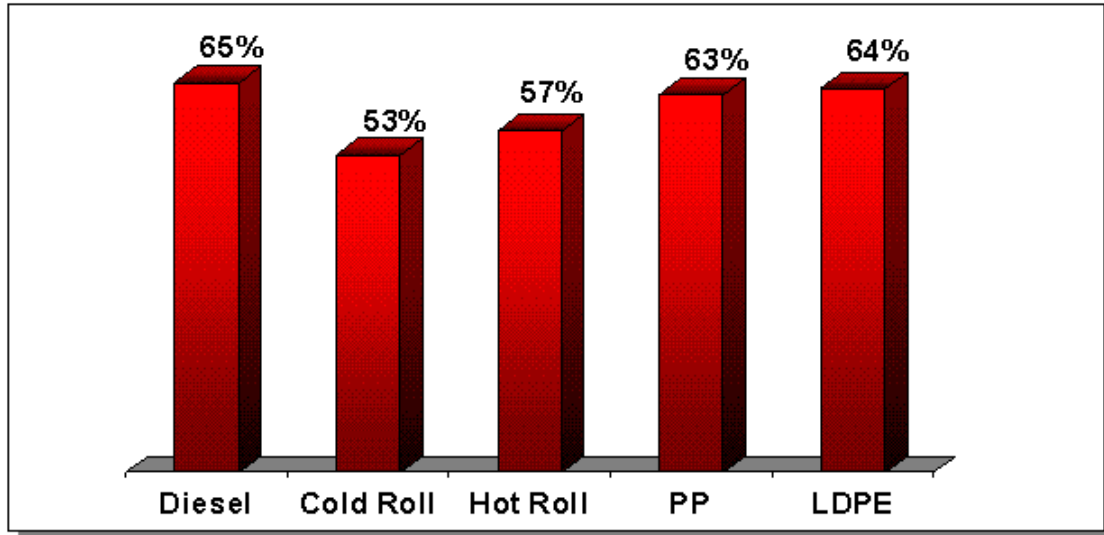
Chevrolet Tahoe

Seats, Doors



Historical Energy and Raw Material Price Increases

December 2005 versus December 2003

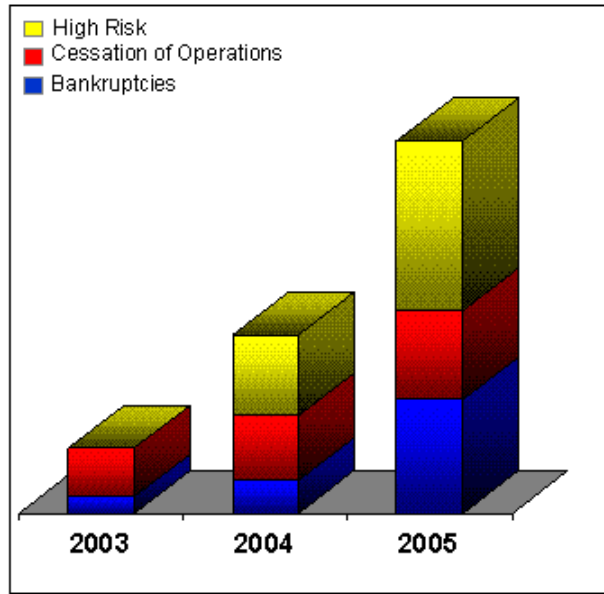


***Key Energy And Raw Material Prices Up
50% - 65% Since The End Of 2003***



Increasing Distress Throughout Lear's Supply Base

Distress Indicators



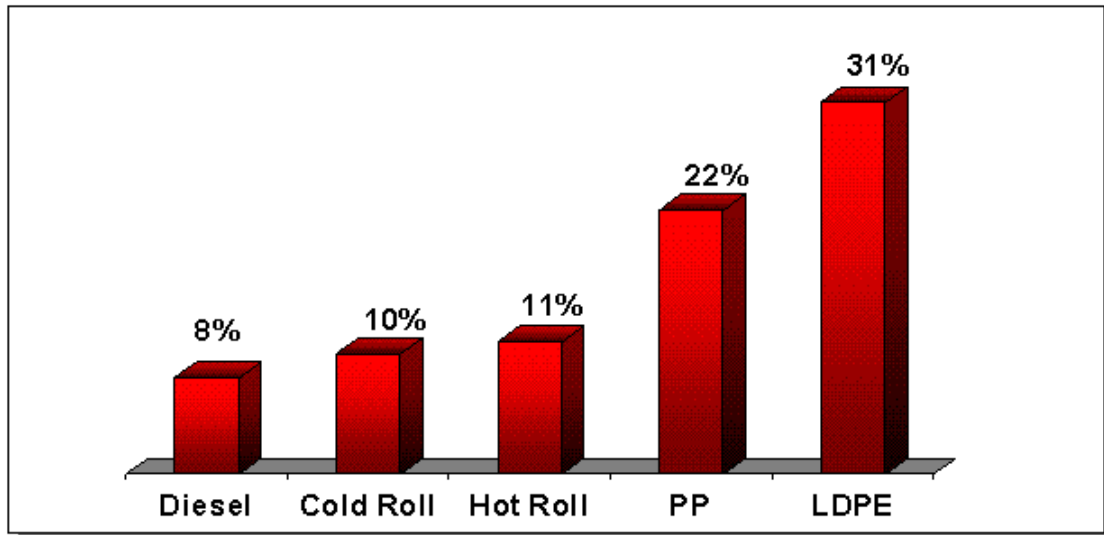
Impact on Lear

- ▶▶ Higher raw material prices
- ▶▶ Unplanned capital expenditures / tooling investment
- ▶▶ Increased on-site resources and management involvement
- ▶▶ Increasing workout and resourcing activities



Recent Energy and Raw Material Price Increases

Fourth Quarter 2005 Average versus Third Quarter 2005 Average



Fourth Quarter Average Key Energy And Raw Material Prices Up About 10% - 30% From Third Quarter

Lear's Strategy To Mitigate Energy and Raw Material Price Increases*



- ▶▶ Developing affordable cost standards for components (cost-based approach vs. piece-price-based approach)
- ▶▶ Increasing use of Cost Technology Optimization (CTO), including suppliers as well as customers
- ▶▶ Increasing low-cost country sourcing
- ▶▶ Analyzing part or material substitution options
- ▶▶ Selective vertical integration
- ▶▶ Utilizing third party logistics leverage and expertise
- ▶▶ Seeking recovery from OEMs

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



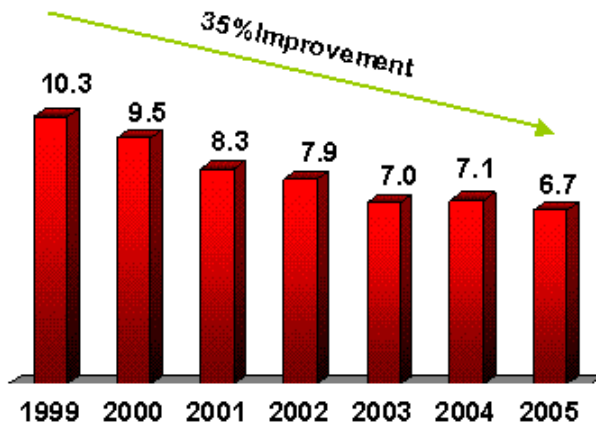
All price reductions to reflect joint cost reduction efforts:

- ▶▶ Emphasizes the elimination of waste and reduction of cost
- ▶▶ Provides mutual incentives to work together cooperatively
- ▶▶ Supports objective that each individual program is economically viable
- ▶▶ Creates reasonable margin profile over time

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Things Gone Wrong (TGW) per 100 vehicles



Source: 2005 J.D. Power Seat Survey

Lear's 2005 J.D. Power Results

- ▶▶ 6% improvement in TGW over 2004
- ▶▶ 35% improvement since 1999
- ▶▶ 4 Best-in-Segment vehicles
 - Full-size Car: Ford Five Hundred
 - Pickup: Chevrolet Avalanche
 - Sport Utility: BMW X3
 - Van: Chevrolet Express

***Highest Quality Seat Manufacturer
Supplying More Than Six Vehicle Lines***



Directional 2006 Outlook



2006 Outlook

Key Industry and Operating Factors*



- ▶ **Uncertainty surrounding key external and industry factors:**
 - Overall industry demand and composition of production by major segment
 - Sales success of key new programs
 - Future direction of energy and raw material prices
 - Price negotiations with our customers and suppliers
 - Potential labor and supply disruptions

- ▶ **Other Lear factors**
 - Timing of WL Ross & Company proposed joint venture

- ▶ **Some Lear factors turning positive:**
 - Restructuring on track / additional cost reductions being developed
 - Capital spending to decline from 2005 peak
 - Customer payment term changes now in place
 - Launch costs to return to more normal levels

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



2006 Outlook Directional Assessment*



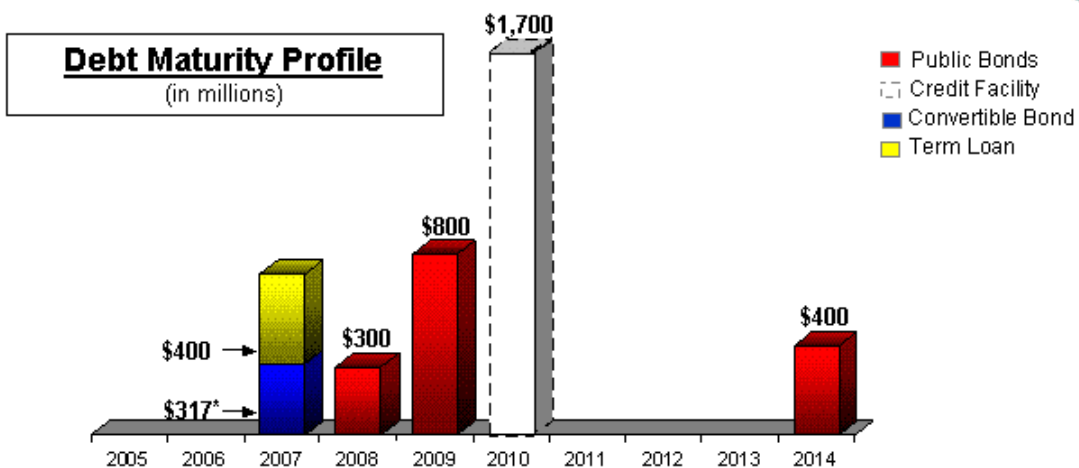
Given the level of uncertainties, financial guidance for 2006 will not be provided at this time. Shown below is a directional assessment of our outlook for this year:

- ▶▶ Earnings improve
- ▶▶ Capital spending trends notably lower
- ▶▶ Free cash flow turns positive

2006 Financial Results Expected To Improve

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








- ▶ Target \$1.0+ billion in excess liquidity
 - Beyond seasonal working capital needs
- ▶ \$2.1 billion in committed bank facilities
 - \$1.7 billion five-year credit facility, maturing March 2010
 - \$400 million term loan, maturing February 2007
- ▶ Approximately \$400 million in U.S. and European receivable-based programs

* Reflects accreted value of convertible bonds

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

Profile of Product Groups*

Product	Estimated % of 2005 Sales	Operating Priorities
	Seating	65% Growth in Asia and with Asian customers Selective vertical integration Growth opportunities with new products Reputation as the highest quality seat supplier
	Electrical / Electronics	17% Programs with Hyundai, Nissan and other Asian customers Growing consumer demand for increased electronic features and content Vertical integration opportunities with expansion of internal T&C capability Organic growth in smart junction boxes and other strategic products / technologies
	Interior	18% Restructuring actions to improve capacity utilization JV opportunities

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



Proposed Interior Product Segment Joint Venture with WL Ross & Co.*



- ▶▶ Framework agreement was signed between Lear and WL Ross & Co. to form an interior joint venture
- ▶▶ WL Ross & Co. entered into an agreement to acquire Collins & Aikman's European business
- ▶▶ Lear evaluating the inclusion of European interior segment in the WL Ross & Co. joint venture
- ▶▶ WL Ross & Co. and Lear are jointly evaluating other acquisition opportunities, including Collins & Aikman's North American business

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



Sales Backlog Update



Sales Backlog -- Methodology and Assumptions*



Method (3 year)

- + Awarded / replacement business
- Rolling off / resourced business

- = Sales Backlog

Assumptions

Production: (million units)

	<u>2006</u>	<u>2007</u>	<u>2008</u>
▶▶ North America:	15.7	16.0	16.3
▶▶ Europe:	18.8	19.1	19.5

Exchange:

- ▶▶ \$1.20 / Euro

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

Sales Backlog -- Three Year*



2006 – 2008 Backlog: \$3.0 Billion

Composition:

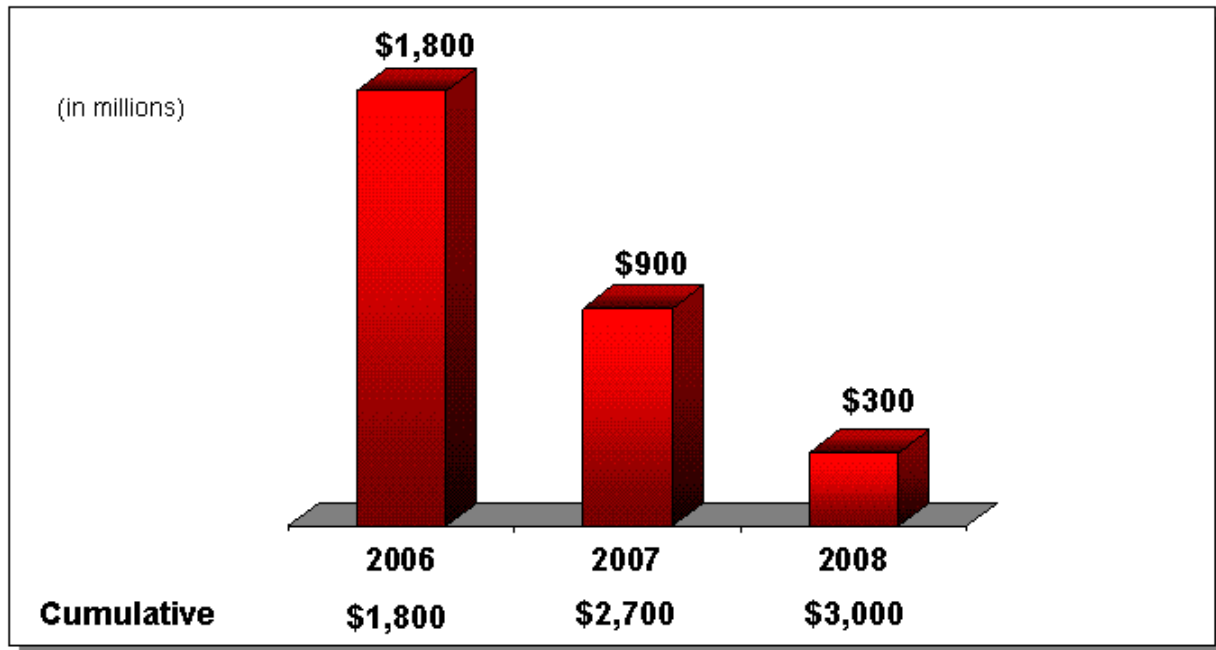
- ▶ Product -- 70% Seating and Electrical/Electronics; 30% Interior
- ▶ Geographic -- Over Half Outside North America
- ▶ Customer -- 40% Traditional Big 3; 40% European; 20% Asian OEM

***Three-Year Backlog Is \$3 Billion,
Even After Roll-Off Of Significant 2005 Backlog***

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



Sales Backlog 2006 – 2008 Annual Growth*



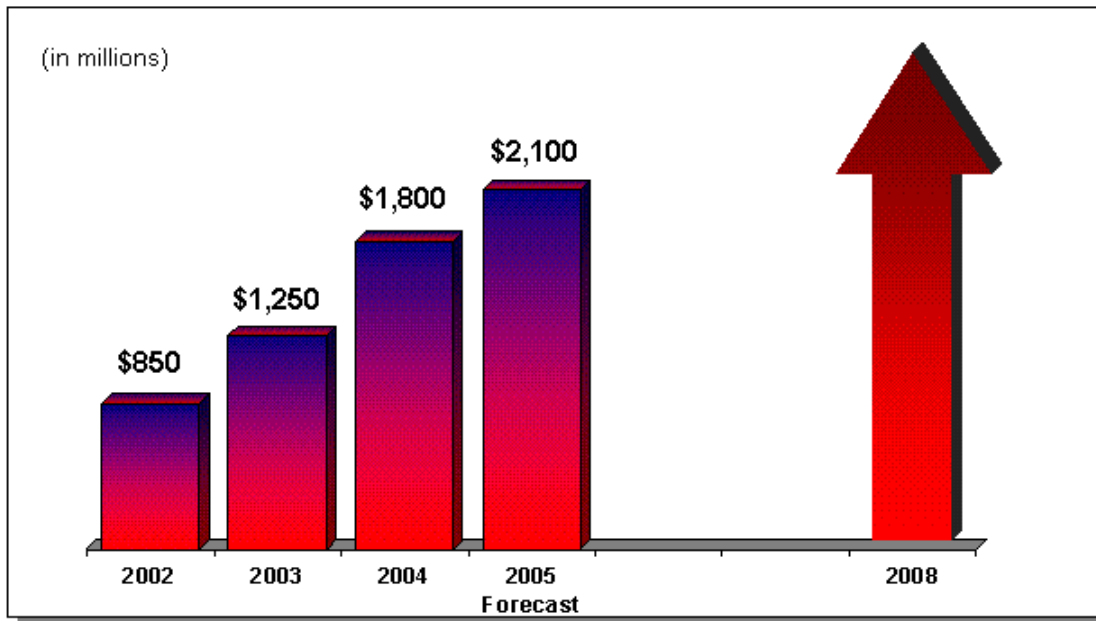
Upside Opportunity In 2008 From Open Sourcing

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

Continued Rapid Growth in our Total Asian Sales**



Revenue in Asia and with Asian Manufacturers*



Lear's Total Asian-Related Sales Are Growing At A Rapid Rate

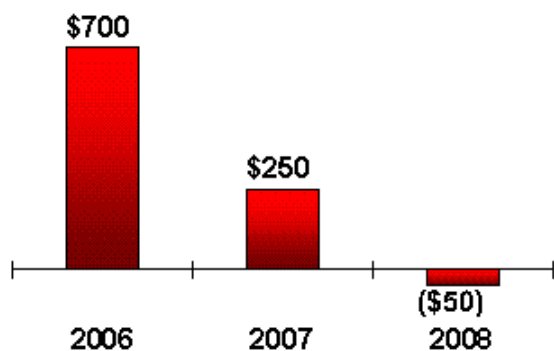
* Consolidated and unconsolidated sales.

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



Interior Sales Backlog

(in millions)



- ▶ Interior represents about 30% of total backlog
- ▶ Down about 25% from prior status, with marginal business not being renewed

Backlog Subject To Change, Reflecting Outcome Of Strategy For Interior Products

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



Closing Comments



We Have a Balanced Longer-Term Strategy for Creating Shareholder Value*



- ▶▶ Manage the business to improve product-line returns
 - Strengthen leadership position in Seat Systems
 - 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 manufacturing, sourcing and engineering
 - Leverage scale, expertise and common architecture strategy

- ▶▶ Maintain a strong and flexible balance sheet

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



More Sustainable Business Model Emerging*

Reality--Present Business Model Not Working

- Major supplier bankruptcies
- Stress throughout supply chain
- Major automakers struggling

Restructuring--Further Consolidation And Restructuring Required

- More efficient supply base needed
- Excess capacity must be eliminated
- New, lower cost sources emerging globally

Relationship--More Collaborative Approaches Key To Success

- Fair pricing model
- Longer-term agreements

Results--A New, More Sustainable Business Model Emerging

- Lowest possible costs
- New product innovation
- Improved supplier and OEM financials
- Profitable growth potential

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

Use of Non-GAAP Financial Information

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

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

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



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 and fuel prices, fluctuations in the production of vehicles for which the Company is a supplier, labor disputes involving the Company or its significant customers or suppliers or that otherwise affect the Company, the Company's ability to achieve cost reductions that offset or exceed customer-mandated selling price reductions, the outcome of customer pricing 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 plan and asset impairment or similar charges that may be required as a result of current business conditions (including any additional charges that may be required in connection with the finalization of the Company's impairment analyses), the outcome of various strategic alternatives being evaluated with respect to the Company's Interior product segment and other risks described from time to time in the Company's Securities and Exchange Commission filings. Finally, the proposed joint venture between the Company and WL Ross & Co. LLC with respect to the Company's Interior product segment is subject to the negotiation and execution of definitive agreements and other conditions. No assurances can be given that the proposed joint venture will be completed on the terms contemplated or at all.

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

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.

