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# 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 29, 2009**

# LEAR CORPORATION
(Exact name of Registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware**<br>(State or other jurisdiction of incorporation) | **1-11311**<br>(Commission File Number) | **13-3386776**<br>(IRS Employer Identification Number) |

| | |
|---|---|
| **21557 Telegraph Road, Southfield, Michigan**<br>(Address of principal executive offices) | **48033**<br>(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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## Section 2 — Financial Information

### Item 2.02 Results of Operations and Financial Condition.

The following information is provided pursuant to Item 2.02 of Form 8-K, "Results of Operations and Financial Condition," and Item 7.01 of Form 8-K, "Regulation FD Disclosure."

On January 29, 2009, Lear Corporation issued a press release reporting preliminary financial results for the fourth quarter and full year of 2008. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On January 29, 2009, Lear Corporation made available the presentation slides attached hereto as Exhibit 99.2 in a webcast of its fourth quarter and full year 2008 earnings call. Exhibit 99.2 is incorporated by reference herein.

The information contained in Exhibits 99.1 and 99.2 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 7 — Regulation FD

### Item 7.01 Regulation FD Disclosure.

See "Item 2.02 Results of Operations and Financial Condition" above.

## Section 9 — Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| | |
|---|---|
| 99.1 | Press release issued January 29, 2009, furnished herewith. |
| 99.2 | Presentation slides from the Lear Corporation webcast of its fourth quarter and full year 2008 earnings call held on January 29, 2009, 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 29, 2009 | By: | /s/ Matthew J. Simoncini |
| | Name: | Matthew J. Simoncini |
| | Title: | Senior Vice President and Chief Financial Officer |

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release issued January 29, 2009, furnished herewith. |
| 99.2 | Presentation slides from the Lear Corporation webcast of its fourth quarter and full year 2008 earnings call held on January 29, 2009, furnished herewith. |

**FOR IMMEDIATE RELEASE**

**Investor Relations:**
**Mel Stephens**
**(248) 447-1624**

**Media:**
**Andrea Puchalsky**
**(248) 447-1651**

## Lear Corporation Reports Preliminary Fourth-Quarter and Full-Year 2008 Financial Results

**SOUTHFIELD, Mich., January 29, 2009** — Lear Corporation [NYSE: LEA], a leading global supplier of automotive seating systems, electrical distribution systems and electronic products, today reported preliminary financial results for the fourth quarter and full year of 2008, as follows:

- Net sales of $2.6 billion in Q4 and $13.6 billion for full year
- Core operating earnings positive in Q4 and strong for full year
- Year end cash and cash equivalents balance of $1.6 billion
- Accelerated and expanded global restructuring and cost reduction efforts
- Continued to diversify sales, with 64% of 2008 revenue generated outside of N.A.
- Awarded electrical and electronic content on Chevy Volt and other new hybrids

### Business Conditions

The production environment in the fourth quarter was extremely challenging due to significantly lower production volumes globally. In North America, industry production compared with a year ago was down 26%, the Domestic Three were down 30%, and our top fifteen platforms were down 26%. In Europe, industry production was down 29%, and our top five customers were down 31%. Globally, automotive production was down 21%.

"These sharp declines in automotive production in North America and globally dramatically impacted our financial results in the fourth quarter," said Bob Rossiter, Lear's chairman, chief executive officer and president. "We have been aggressively restructuring our global operations in response to changing business conditions. Lear's strategy to manage through the downturn is to accelerate and expand global restructuring and cost reduction efforts, to narrow our investment focus to minimize cash burn and to continue to provide our customers with superior value."

(more)

**Fourth-Quarter 2008 Financial Results**

For the fourth quarter of 2008, Lear reported net sales of $2.6 billion and a pretax loss of $692.1 million, driven largely by a non-cash goodwill impairment charge of $530.0 million and restructuring costs of $66.2 million. Income before interest, other (income) expense, income taxes, restructuring costs and other special items (core operating earnings) was $22.0 million in the fourth quarter of 2008. This compares with net sales of $3.9 billion, pretax income of $45.1 million and core operating earnings of $178.6 million in the fourth quarter of 2007. A reconciliation of core operating earnings to pretax income (loss) as determined by generally accepted accounting principles (“GAAP”) is provided in the attached supplemental data pages.

The decline in net sales for the quarter primarily reflects a significant reduction in production in North America and Europe.

In the seating segment, net sales were down 32% to $2.1 billion. Operating margins declined sharply, reflecting primarily the impact of lower vehicle production offset partially by favorable cost performance. In the electrical and electronic segment, net sales were down 33% to $529 million. Operating margins declined significantly, driven by lower vehicle production offset partially by favorable cost performance.

Net loss was $688.2 million, or $8.91 per share, including the non-cash goodwill impairment charge and restructuring costs, for the fourth quarter of 2008. This compares with net income of $27.0 million, or $0.34 per share, in the year earlier quarter.

In the fourth quarter of 2008, free cash flow was negative $38.3 million, as compared with free cash flow of $170.9 million in the fourth quarter of 2007. The decline in free cash flow compared with a year ago primarily reflects lower earnings. Net cash provided by (used in) operating activities was ($90.9) million and $157.4 million in the fourth quarters of 2008 and 2007, respectively. A reconciliation of free cash flow to net cash provided by (used in) operating activities as determined by GAAP is provided in the attached supplemental data pages.

**Full-Year 2008 Financial Results**

For the full year 2008, Lear reported net sales of $13.6 billion and a pretax loss of $604.1 million, driven largely by a non-cash goodwill impairment charge of $530.0 million and restructuring costs of $193.9 million. Core operating earnings were $418.4 million for the full year 2008. This compares with net sales of $16.0 billion, pretax income of $331.4 million and core operating earnings of $748.5 million in 2007. A reconciliation of core operating earnings to pretax income (loss) as determined by GAAP is provided in the attached supplemental data pages.

The decline in net sales for the full year primarily reflects a significant reduction in production in North America and Europe and the divestiture of the interior business, partially offset by favorable foreign exchange. The decline in core operating earnings reflects the decline in net sales offset in part by favorable cost performance, including the benefit of restructuring actions.

Lear reported a net loss of $689.9 million, or $8.93 per share, including the non-cash goodwill impairment charge and restructuring costs, for the full-year 2008. This compares with net income of $241.5 million, or $3.09 per share, for the full-year 2007.

Free cash flow in 2008 was negative $70.7 million as compared with free cash flow of $433.6 million in 2007. The decline primarily reflects lower earnings and higher cash costs for restructuring. Net cash provided by operating activities was $144.2 million and $466.9 million in 2008 and 2007, respectively. A reconciliation of free cash flow to net cash provided by operating activities as determined by GAAP is provided in the attached supplemental data pages.

For the year, Lear continued to make progress on its strategic priorities, including further diversification of its global sales, business development in emerging markets and the implementation of an operating improvement plan for the electrical and electronic segment. Approximately two-thirds of Lear's 2008 net sales were generated outside of North America. In addition, Lear continues to improve quality and win new business globally. Our business backlog for the 2009 to 2011 period currently stands at $1.1 billion, with 60% in the seating segment and 40% in the electrical and electronic segment, including recent awards on the Chevy Volt and several other new hybrid models.

In terms of liquidity, the Company had approximately $1.6 billion in cash and cash equivalents as of December 31, 2008, providing more than adequate resources to satisfy ordinary course business obligations. During the fourth quarter of 2008, Lear chose to borrow $1.2 billion under its primary credit facility in order to protect against disruptions in the capital markets and to further bolster its liquidity position. The Company elected not to repay the amounts borrowed at year end in light of continued market and industry uncertainty. As a result of this decision, the Company is no longer in compliance with the leverage ratio contained in its primary credit facility. The Company has initiated discussions with the co-agents under its primary credit facility to seek a long-term amendment. The discussions have been constructive and are continuing. Because the amendment will require support from lenders holding a majority of outstanding commitments and borrowings under the primary credit facility, the Company intends to pursue discussions with a broader lender group before finalizing the amendment proposal and launching the formal amendment process. If the Company is unable to obtain an amendment, upon a majority vote of the lenders under the primary credit facility, the lenders would have the right to exercise all remedies thereunder, which would have a material adverse effect on the Company's financial position.

Lear will webcast a conference call to review the Company's fourth-quarter 2008 financial results and related matters on Thursday, January 29, 2009, at 8:00 a.m.

eastern time through the Investor Relations link at http://www.lear.com. In addition, the conference call can be accessed by dialing 1-800-789-4751 (domestic) or 1-973-200-3975 (international). The audio replay will be available two hours following the call at 1-800-642-1687 (domestic) or 1-706-645-9291 (international) and will be available until February 12, 2009, with a Conference I.D. of 75075891.

**Non-GAAP Financial Information**

In addition to the results reported in accordance with GAAP included throughout this press release, the Company has provided information regarding "income before interest, other expense, income taxes, restructuring costs and other special items" (core operating earnings) and "free cash flow" (each, a non-GAAP financial measure). Other expense includes, among other things, non-income related taxes, foreign exchange gains and losses, discounts and expenses associated with the Company's asset-backed securitization and factoring facilities, minority interests in consolidated subsidiaries, equity in net income of affiliates and gains and losses on the sale of assets. Free cash flow represents net cash provided by (used in) 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 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 is a useful measure in assessing the Company's financial performance by excluding certain items (including those items that are included in other expense) 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 this measure is useful to both management and investors in their analysis of the Company's results of operations and provides 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 and free cash flow should not be considered in isolation or as a substitute for pretax income (loss), net income (loss), cash provided by (used in) operating activities or other statement of operations or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

For reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, see the attached supplemental data pages which, together with this press release, have been posted on the Company's website through the Investor Relations link at http://www.lear.com

**Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results 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 or currency exchange rates, the financial condition of the Company's customers or suppliers, changes in actual industry vehicle production levels from the Company's current estimates, fluctuations in the production of vehicles for which the Company is a supplier, the loss of business with respect to, or the lack of commercial success of, a vehicle model for which the Company is a significant supplier, including further declines in sales of full-size pickup trucks and large sport utility vehicles, disruptions in the relationships with the Company's suppliers, 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 negotiations, the impact and timing of program launch costs, the costs, timing and success of restructuring 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, the cost and availability of raw materials and energy, the Company's ability to mitigate 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, including the Company's ability to align its vendor payment terms with those of its customers, the Company's ability to access capital markets on commercially reasonable terms, further impairment charges initiated by adverse industry or market developments, the Company's ability to obtain a waiver or amendment under its primary credit facility and other risks described from time to time in the Company's Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, commodity prices and the Company's success in implementing its operating strategy.

This press release 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. Lear's 2009 – 2011 sales backlog is based on an exchange rate of

$1.40/per Euro and the December 15, 2008 status of CSM Worldwide's industry production assumptions.

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 is one of the world's leading suppliers of automotive seating systems, electrical distribution systems and electronic products. The Company's world-class products are designed, engineered and manufactured by a diverse team of 80,000 employees at 215 facilities in 35 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.

# # #

**Lear Corporation and Subsidiaries**
**Consolidated Statements of Operations**

(In millions, except per share amounts)

| | Three Months Ended December 31, 2008 | Three Months Ended December 31, 2007 |
|---|---|---|
| Net sales | $ 2,600.4 | $ 3,859.0 |
| Cost of sales | 2,542.3 | 3,626.3 |
| Selling, general and administrative expenses | 96.6 | 146.1 |
| Goodwill impairment charges | 530.0 | — |
| Divestiture of Interior business | — | 2.9 |
| Interest expense | 50.8 | 48.9 |
| Other (income) expense, net | 72.8 | (10.3) |
| Income (loss) before income taxes | (692.1) | 45.1 |
| Income taxes | (3.9) | 18.1 |
| Net income (loss) | $ (688.2) | $ 27.0 |
| Basic net income (loss) per share | $ (8.91) | $ 0.35 |
| Diluted net income (loss) per share | $ (8.91) | $ 0.34 |
| Weighted average number of shares outstanding | | |
| Basic | 77.3 | 77.2 |
| Diluted | 77.3 | 78.3 |

**Lear Corporation and Subsidiaries**
**Consolidated Statements of Operations**

(In millions, except per share amounts)

| | Twelve Months Ended December 31, 2008 | Twelve Months Ended December 31, 2007 |
|---|---|---|
| Net sales | $ 13,570.5 | $ 15,995.0 |
| Cost of sales | 12,826.5 | 14,846.5 |
| Selling, general and administrative expenses | 513.2 | 574.7 |
| Goodwill impairment charges | 530.0 | — |
| Divestiture of Interior business | — | 10.7 |
| Interest expense | 190.3 | 199.2 |
| Other expense, net | 114.6 | 32.5 |
| Income (loss) before income taxes | (604.1) | 331.4 |
| Income taxes | 85.8 | 89.9 |
| Net income (loss) | $ (689.9) | $ 241.5 |
| Basic net income (loss) per share | $ (8.93) | $ 3.14 |
| Diluted net income (loss) per share | $ (8.93) | $ 3.09 |
| Weighted average number of shares outstanding | | |
| Basic | 77.2 | 76.8 |
| Diluted | 77.2 | 78.2 |

**Lear Corporation and Subsidiaries**
**Selected Balance Sheet Data**

(In millions)

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| Cash and cash equivalents * | $1,592.1 | $ 601.3 |
| PP&E, net | 1,213.5 | 1,392.7 |
| Total assets | 6,872.9 | 7,800.4 |
| Reported debt * | 3,526.8 | 2,454.6 |
| Stockholders' equity | 198.9 | 1,090.7 |

* Increase in cash and cash equivalents and in reported debt is primarily due to borrowings of $1.2 billion under the Company's primary credit facility.

**Lear Corporation and Subsidiaries**
**Supplemental Data**

(Unaudited; in millions, except content per vehicle and share data)

| | Three Months Ended December 31, 2008 | Three Months Ended December 31, 2007 |
|---|---|---|
| **Net Sales** | | |
| North America | $ 1,036.5 | $ 1,566.4 |
| Europe | 1,121.2 | 1,781.0 |
| Rest of World | 442.7 | 511.6 |
| Total | $ 2,600.4 | $ 3,859.0 |
| | | |
| **Content Per Vehicle *** | | |
| North America | $ 368 | $ 430 |
| Europe | $ 293 | $ 344 |
| | | |
| **Free Cash Flow **** | | |
| Net cash provided by (used in) operating activities | $ (90.9) | $ 157.4 |
| Net change in sold accounts receivable | 86.5 | 101.6 |
| Net cash provided by (used in) operating activities before net change in sold accounts receivable | (4.4) | 259.0 |
| Capital expenditures | (33.9) | (88.1) |
| Free cash flow | $ (38.3) | $ 170.9 |
| | | |
| **Depreciation and Amortization** | $ 71.8 | $ 76.0 |
| | | |
| **Core Operating Earnings **** | | |
| Pretax income (loss) | $ (692.1) | $ 45.1 |
| Interest expense | 50.8 | 48.9 |
| Other (income) expense, net | 67.1*** | (10.3) |
| Restructuring costs and other special items - | | |
| Goodwill impairment charges | 530.0 | — |
| Divestiture of Interior business | — | 2.9 |
| Costs related to restructuring actions | 66.2 | 93.9 |
| Costs related to merger transaction | — | (1.9) |
| Core Operating Earnings | $ 22.0 | $ 178.6 |

* Content Per Vehicle for 2007 has been updated to reflect actual production levels.

** See “Non-GAAP Financial Information” included in this press release.

*** Reported 2008 other expense, net of $72.8 million includes costs related to restructuring actions of $5.7 million listed below.

**Lear Corporation and Subsidiaries**
**Supplemental Data**

(Unaudited; in millions, except content per vehicle and share data)

| | Twelve Months Ended December 31, 2008 | Twelve Months Ended December 31, 2007 |
|---|---|---|
| **Net Sales** | | |
| North America | $ 4,924.6 | $ 7,260.4 |
| Europe | 6,593.2 | 6,895.1 |
| Rest of World | 2,052.7 | 1,839.5 |
| Total | $ 13,570.5 | $ 15,995.0 |
| | | |
| **Net Sales — Core Businesses** | | |
| North America | $ 4,924.6 | $ 6,648.4 |
| Europe | 6,593.2 | 6,827.1 |
| Rest of World | 2,052.7 | 1,830.6 |
| Total | $ 13,570.5 | $ 15,306.1 |
| | | |
| **Content Per Vehicle *** | | |
| North America | $ 391 | $ 483 |
| North America — core businesses | $ 391 | $ 443 |
| Europe | $ 348 | $ 342 |
| Europe — core businesses | $ 348 | $ 338 |
| | | |
| **Free Cash Flow **** | | |
| Net cash provided by operating activities | $ 144.2 | $ 466.9 |
| Net change in sold accounts receivable | (47.2) | 168.9 |
| Net cash provided by operating activities before net change in sold accounts receivable | 97.0 | 635.8 |
| Capital expenditures | (167.7) | (202.2) |
| Free cash flow | $ (70.7) | $ 433.6 |
| | | |
| **Depreciation and Amortization** | $ 299.3 | $ 296.9 |
| | | |
| **Basic Shares Outstanding at end of quarter** | 77,403,859 | 77,189,965 |
| | | |
| **Diluted Shares Outstanding at end of quarter ***** | 77,403,859 | 78,159,822 |
| | | |
| **Core Operating Earnings **** | | |
| Pretax income (loss) | $ (604.1) | $ 331.4 |
| Interest expense | 190.3 | 199.2 |
| Other expense, net | 108.3**** | 28.6**** |
| Restructuring costs and other special items - | | |
| Goodwill impairment charges | 530.0 | — |
| Costs related to divestiture of Interior business | — | 20.7 |
| Costs related to restructuring actions | 193.9 | 181.8 |
| U.S. salaried pension plan curtailment gain | — | (36.4) |
| Costs related to merger transaction | — | 34.9 |
| Loss on joint venture transaction | — | 3.9 |
| Less: Interior business | — | (15.6) |
| Core Operating Earnings | $ 418.4 | $ 748.5 |

* Content Per Vehicle for 2007 has been updated to reflect actual production levels.

** See “Non-GAAP Financial Information” included in this press release.

*** Calculated using stock price at end of quarter. Excludes certain shares related to outstanding convertible debt, as well as certain options, restricted stock units, performance units and stock appreciation rights, all of which were antidilutive.

**** Reported other expense, net of $114.6 million in 2008 and $32.5 million in 2007 includes costs related to restructuring actions of $6.3 million in 2008 and the loss on joint venture transaction of $3.9 million in 2007 listed below.

**Exhibit 99.2**


advance relentlessly®
Fourth-Quarter and
Full-Year 2008 Results and
Sales Backlog Update
January 29, 2009
LEAR CORPORATION

## Agenda

- Business Environment
  - *Bob Rossiter, Chairman, CEO and President*
- Fourth-Quarter and Full-Year 2008 Results and Sales Backlog Update
  - *Matt Simoncini, SVP and CFO*
- Summary and Outlook
  - *Bob Rossiter, Chairman, CEO and President*
- Q and A Session

# Business Environment

## Business in Perspective*

- In 2007, Lear reported improved financial results in its core business for the second consecutive year, following the divestiture of the Interior business, successful global restructuring efforts and cost improvements
- In 2008, the U.S. economy experienced the worst economic downturn since the Great Depression and tight credit conditions slowed economic activity worldwide
- As a result, U.S. industry sales declined from a rate of 16 million units to the 10 million unit range, and global automotive sales turned down following six years of steady growth
- In response to the sharply lower sales and production levels, Lear has accelerated and expanded its restructuring and cost reduction efforts
- The Company is also continuing to make progress on strategic priorities, including further diversification of global sales and investment in new technologies such as hybrid electrical systems

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

## Strategy to Manage Through the Downturn*

- Focusing on a lean operating structure to minimize cash burn
- Negotiating an amendment to our credit facility to maintain financial flexibility
- Aggressively implementing cost reductions and operating improvements to align business with lower volumes
- Putting a high priority on those things we can control -- quality, costs, service and innovation -- to ensure we provide customers with superior value
- Proactively managing the supply chain, selectively in-sourcing where it makes economic sense and following a disciplined pricing model

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

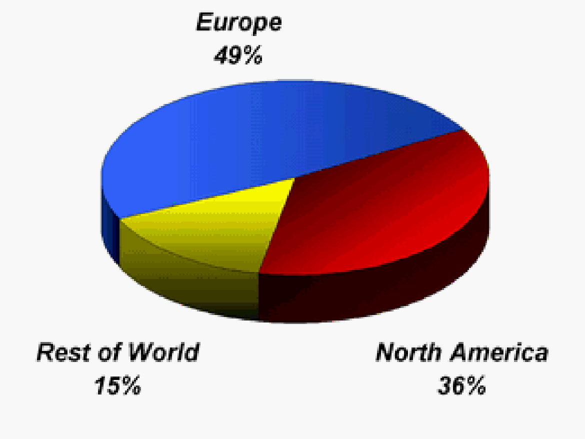
## Summary of Operating Improvements

- Closed or consolidated more than 25 facilities worldwide and reduced salaried census by 33% in North America since 2005
- Reduced compensation and fringe benefits
- Thrifted non-program related spending
- Reduced new market infrastructure spending
- Slowed capacity expansion in emerging markets
- Consolidated administrative offices worldwide
- Lowered costs for outside services
- Reduced discretionary expenditures

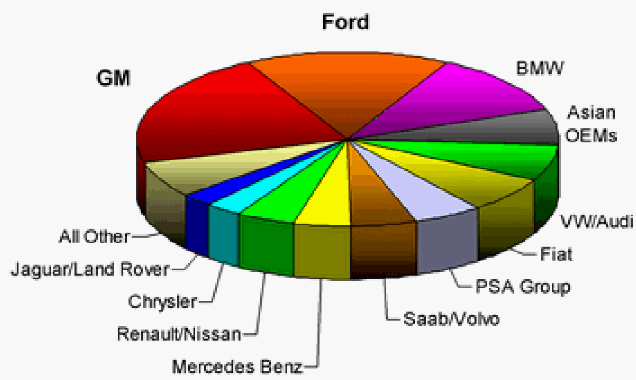
## Making Progress on Sales Diversification

**2008 Full Year Net Sales**

**By Region**




**By Customer**




***64% Of 2008 Sales Outside Of North America***

## Positioned for Industry Recovery*

- Strong global capabilities in critical automotive systems -- Seating and Power Distribution
- Improved annual cost structure by more than $250 million through aggressive restructuring actions since mid-2005
- Significant low-cost footprint in place, with operations in 21 countries throughout Central and South America, Eastern Europe, Africa and Asia
- Steady progress on diversifying global sales, with approximately two-thirds of total sales now generated outside North America
- Industry leader in product quality and customer service
- Investing in key technologies: new, lighter-weight and environmentally-friendly materials, more flexible structures, high-power and hybrid electrical systems, wireless products and select safety features

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

# Fourth-Quarter and Full-Year 2008 Results and Sales Backlog Update

## Global Production Environment

| | Fourth-Quarter 2008 | | Full-Year 2008 | |
|---|---|---|---|---|
| | Units | % Change vs. Yr. Ago | Units | % Change vs. Yr. Ago |
| North America | 2.7 mil | down 26% | 12.6 mil | down 16% |
| Europe | 3.7 mil | down 29% | 18.9 mil | down 6% |
| China | 1.7 mil | down 13% | 7.3 mil | up 5% |
| India | 0.4 mil | down 11% | 2.1 mil | up 8% |
| South America | 0.7 mil | down 27% | 3.6 mil | up 7% |
| Worldwide | 14.2 mil | down 21% | 65.6 mil | down 4% |
| **Memo:** | | | | |
| In North America: | | | | |
| Domestic Three | 1.6 mil | down 30% | 7.4 mil | down 21% |
| Lear's Top 15 Platforms | 0.7 mil | down 26% | 3.0 mil | down 25% |

# 2008 Financial Summary*

## Fourth-Quarter 2008 Results

- Net sales of $2.6 billion
- Core operating earnings of $22 million**
- Free cash flow was negative $38 million**

## Full-Year 2008 Results

- Net sales of $13.6 billion
- Core operating earnings of $418 million**
- Free cash flow was negative $71 million**

## Sales Backlog Update***

- Three-year [2009-2011] backlog of $1.1 billion
- New backlog represents continued diversification of sales

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

** Core operating earnings represents income before interest, other expense, income taxes, restructuring costs and other special items. Free cash flow represents net cash provided by (used in) operating activities before the net change in sold accounts receivable, less capital expenditures.

*** For a definition of sales backlog and the underlying backlog development assumptions, please see slide titled "Forward-Looking Statements" at the end of this presentation.

# Fourth-Quarter 2008 Reported Financials*

LEAR CORPORATION

| (in millions, except net income (loss) per share) | Fourth Quarter 2008 | Fourth Quarter 2007 | 4Q '08 B/(W) 4Q '07 |
|---|---|---|---|
| **Net Sales** | $2,600.4 | $3,859.0 | ($1,258.6) |
| **Income (Loss) Before Interest, Other Expense and Income Taxes** | ($568.5) | $83.7 | ($652.2) |
| **Pretax Income (Loss)** | ($692.1) | $45.1 | ($737.2) |
| **Net Income (Loss)** | ($688.2) | $27.0 | ($715.2) |
| **Net Income (Loss) Per Share** | ($8.91) | $0.34 | ($9.25) |
| **SG&A % of Net Sales** | 3.7 % | 3.8 % | 0.1 pts. |
| **Interest Expense** | $50.8 | $48.9 | ($1.9) |
| **Depreciation / Amortization** | $71.8 | $76.0 | $4.2 |
| **Other (Income) Expense, Net** | $72.8 | ($10.3) | ($83.1) |

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

# Fourth-Quarter 2008
# Restructuring / Special Items Impact*

(in millions)

| Reported Results | Fourth-Quarter | Income Statement Category COGS | Income Statement Category SG&A |
|---|---|---|---|
| **Loss Before Interest, Other Expense and Income Taxes** | $ (568.5) | | |
| **Goodwill impairment charges** | $ 530.0 | $ - | $ - |
| **Costs related to restructuring actions[1]** | 60.5 | 53.8 | 6.7 |
| **2008 Core Operating Earnings** | **$ 22.0** | | |
| **2007 Core Operating Earnings** | **$ 178.6** | | |

[1] Excludes $5.7 million of restructuring charges recorded in other expense.

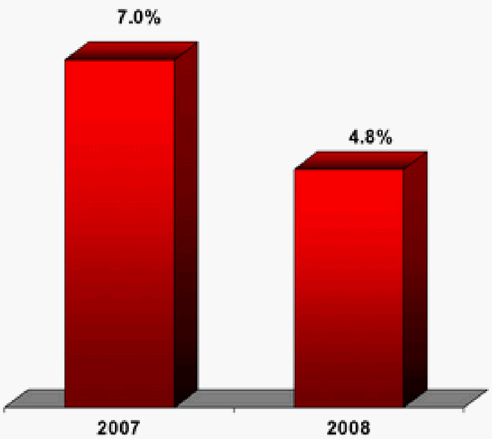
* Please see slides titled "Non-GAAP Financial Information" at the end of this presentation for further information.

# Fourth-Quarter 2008
# Net Sales Changes and Margin Impact

| Performance Factor | Net Sales Change (in millions) | Margin Impact | Comments |
|---|---|---|---|
| **Industry Production / Platform Mix / Net Pricing** | $ (1,142) | Negative | Sharply lower production in North America and Europe |
| **Global New Business** | 59 | Neutral | Audi A4, Mercedes GLK, Fiat Delta and Nissan Qashqai in Europe; Lincoln MKS, Mazda 6 and Chevrolet Aveo in N.A.; Mercedes C-Class in S.A; Buick Regal in Asia |
| **F/X Translation** | (176) | Neutral | Euro down 8%, Canadian dollar down 18% |
| **Performance** | | Positive | Favorable operating performance, including efficiency actions and benefits from restructuring |

# Full-Year 2008 Seating Performance*

## Adjusted Seating Segment Margins




| (in mils) | 2007 | 2008 |
|---|---|---|
| Sales | $12,206.1 | $10,726.9 |
| Earnings** | $ 758.7 | $ 386.7 |
| Adj. Earnings** | $ 850.3 | $ 519.4 |

## Explanation of Year-to-Year Change

**Sales Factors**

– Lower industry production in North America and Europe

+ Favorable foreign exchange

+ Net new business

**Margin Performance**

– Lower industry production in North America and Europe

– Net selling price reductions

– Increased commodity costs

+ Favorable cost performance

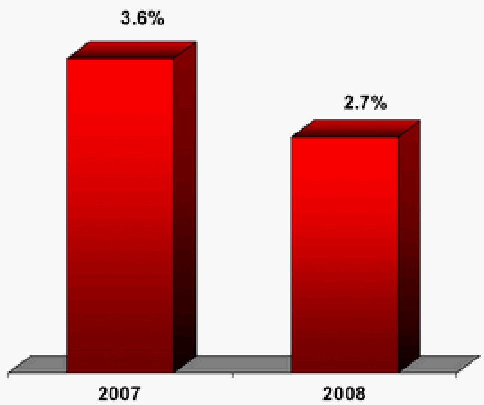
+ Restructuring savings

* Please see slide titled "Non-GAAP Financial Information" at the end of this presentation for further information.

** Reported segment earnings represents income before goodwill impairment charges, interest, other expense and income taxes; adjusted segment earnings represents reported segment earnings adjusted for restructuring costs.

# Full-Year 2008
# Electrical and Electronic Performance*

## Adjusted Electrical and Electronic Segment Margins




| (in mils) | 2007 | 2008 |
|---|---|---|
| Sales | $ 3,100.0 | $ 2,843.6 |
| Earnings** | $ 40.8 | $ 44.7 |
| Adj. Earnings** | $ 111.0 | $ 76.1 |

## Explanation of Year-to-Year Change

**Sales Factors**

– Lower industry production in North America and Europe

+ Favorable foreign exchange

+ Net new business

**Margin Performance**

– Lower industry production in North America and Europe

– Net selling price reductions

+ Favorable operating performance

+ Restructuring savings

* Please see slide titled "Non-GAAP Financial Information" at the end of this presentation for further information.

** Reported segment earnings represents income before goodwill impairment charges, interest, other expense and income taxes; adjusted segment earnings represents reported segment earnings adjusted for restructuring costs.

# Fourth-Quarter and Full-Year 2008 Free Cash Flow*

LEAR CORPORATION

| (in millions) | Fourth Quarter 2008 | Full Year 2008 |
|---|---|---|
| Net Loss | $ (688.2) | $ (689.9) |
| Depreciation / Amortization | 71.8 | 299.3 |
| Goodwill Impairment Charges | 530.0 | 530.0 |
| Working Capital / Other | 82.0 | (42.4) |
| **Cash from Operations** | $ (4.4) | $ 97.0 |
| Capital Expenditures | (33.9) | (167.7) |
| **Free Cash Flow** | $ (38.3) | $ (70.7) |

* Free cash flow represents net cash provided by (used in) operating activities (($90.9) million for the three months and $144.2 million for the twelve months ended 12/31/08) before net change in sold accounts receivable ($86.5 million for the three months and ($47.2) million for the twelve months ended 12/31/08) (Cash from Operations), less capital expenditures. Please see slides titled "Non-GAAP Financial Information" at the end of this presentation for further information.

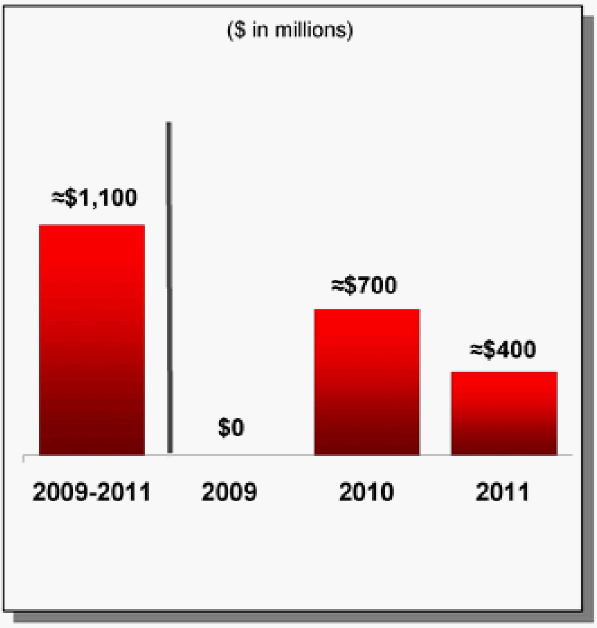
## Sufficient Cash Position*

- To protect against disruptions in the capital markets and uncertainty in the industry, Lear fully borrowed amounts available under its primary credit facility (~$1.2 billion) during the fourth quarter
- Combined with cash on hand, Lear had $1.6 billion of cash and cash equivalents available as of 12/31/08, providing more than adequate resources to satisfy ordinary course business obligations
- As a result of the decision not to repay the amounts borrowed at year end, the Company is no longer in compliance with the leverage ratio contained in its primary credit facility
- The Company has initiated discussions with the co-agents under its primary credit facility to seek a long-term amendment
- These discussions have been constructive and are continuing
- Because the amendment will require support from lenders holding the majority of outstanding commitments and borrowings under the credit facility, the Company intends to pursue discussions with a broader lender group before finalizing the amendment proposal and launching the formal amendment process

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

## Sales Backlog Update*

### 2009 – 2011 Sales Backlog**




### Composition of Sales Backlog**

- By Product:
  - Seating -- 60%
  - Electrical and Electronic -- 40%
- By Region:
  - North America -- $0
  - Europe -- $300M
  - Asia -- $800M

* For a definition of sales backlog and the underlying backlog development assumptions, please see slide titled "Forward-Looking Statements" at the end of this presentation.

** Consolidated sales only.

# Lear to Supply Key Electrical and Electronic Products for Chevy Volt and Other New Hybrids*

## Lear Content on Chevy Volt

COURTESY: GENERAL MOTORS

- High and low-voltage wire harnesses
- Custom terminals and connectors, including the industry's first terminal with 250-amp capability
- External charging cable with Lear's Smart Connector™
- Other proprietary electronics

## Other Recent Hybrid Awards

- BMW (new generation) hybrid vehicles -- high-voltage wiring system
- Fisker Karma -- electrical distribution system, solid-state smart junction box™, battery charger, wireless products and select electronics
- Land Rover -- voltage module
- Renault -- battery charger
- Saturn -- battery charger

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

## 2009 Outlook*

- Global automotive production has declined rapidly
- Economic conditions remain very volatile and uncertain:
  - Negatives:
    - Low consumer confidence
    - Very tight credit conditions
    - Weak overall economic activity
    - Poor housing and employment conditions
  - Positives:
    - Low interest rates
    - Government stimulus actions globally, including U.S. government financial assistance for GM and Chrysler and their finance arms
    - Declining energy and raw material prices
- There are a wide range of industry assumptions for 2009
- As a result, we are not providing financial guidance at this time
- Internal focus on further reducing costs as well as maintaining operating and financial flexibility

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

# Summary and Outlook

## Summary and Outlook*

- Business conditions have become more challenging globally
- We are following a lean operating structure to minimize cash burn
- We are accelerating and expanding restructuring and cost reduction actions to improve near-term operating results
- At the same time, we are maintaining our focus on strategic priorities:
  - Continued sales diversification
  - Further low-cost footprint expansion
  - Investment in new technologies
  - Selective vertical integration in Seating
  - Improvement plan for Electrical and Electronic
- We will be proactive in responding to changing business conditions and maintaining flexibility
- We are positioning the Company to benefit from industry recovery

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

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# 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 "income (loss) before interest, other expense and income taxes," "income before interest, other expense, income taxes, restructuring costs and other special items" (core operating earnings) and "free cash flow" (each, a non-GAAP financial measure). Other expense includes, among other things, non-income related taxes, foreign exchange gains and losses, discounts and expenses associated with the Company's asset-backed securitization and factoring facilities, minority interests in consolidated subsidiaries, equity in net income of affiliates and gains and losses on the sale of assets. Free cash flow represents net cash provided by (used in) 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 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 income (loss) before interest, other expense and income taxes and core operating earnings are useful measures in assessing the Company's financial performance by excluding certain items (including those items that are included in other expense) 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.

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

Set forth on the following slides are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

# Non-GAAP Financial Information
# Core Operating Earnings

LEAR CORPORATION

| (in millions) | Three Months Q4 2008 | Three Months Q4 2007 | Twelve Months 2008 |
|---|---|---|---|
| Pretax income (loss) | $ (692.1) | $ 45.1 | (604.1) |
| Interest expense | 50.8 | 48.9 | 190.3 |
| Other (income) expense, net * | 72.8 | (10.3) | 114.6 |
| **Income (loss) before interest, other expense and income taxes** | **$ (568.5)** | **$ 83.7** | **$ (299.2)** |
| Restructuring costs and other special items - | | | |
| Goodwill impairment charges | 530.0 | - | 530.0 |
| Divestiture of Interior business | - | 2.9 | - |
| Costs related to restructuring actions ** | 60.5 | 93.9 | 187.6 |
| Costs related to merger transaction | - | (1.9) | - |
| **Income before interest, other expense, income taxes, restructuring costs and other special items (core operating earnings)** | **$ 22.0** | **$ 178.6** | **$ 418.4** |

* Includes minority interests in consolidated subsidiaries and equity in net income of affiliates.

** Excludes $5.7 million and $6.3 million of restructuring charges recorded in other (income) expense, net for the three and twelve months ended December 31, 2008, respectively.

# Non-GAAP Financial Information
# Segment Earnings

| (in millions) | Twelve Months 2008 | Twelve Months 2007 |
|---|---|---|
| Seating | $ 386.7 | $ 758.7 |
| Electrical and electronic | 44.7 | 40.8 |
| Interior | - | 8.2 |
| Segment earnings | 431.4 | 807.7 |
| Corporate and geographic headquarters and elimination of intercompany activity | (200.6) | (233.9) |
| **Income before goodwill impairment charges, divestiture of Interior business, interest, other expense and income taxes** | **$ 230.8** | **$ 573.8** |
| Goodwill impairment charges | 530.0 | - |
| Divestiture of Interior business | - | 10.7 |
| Interest expense | 190.3 | 199.2 |
| Other expense, net | 114.6 | 32.5 |
| **Pretax income (loss)** | **$ (604.1)** | **$ 331.4** |

# Non-GAAP Financial Information
## Adjusted Segment Earnings

| (in millions) | Twelve Months 2008 Seating | Twelve Months 2008 Electrical and Electronic | Twelve Months 2007 Seating | Twelve Months 2007 Electrical and Electronic |
|---|---|---|---|---|
| **Sales** | $ 10,726.9 | $ 2,843.6 | $ 12,206.1 | $ 3,100.0 |
| **Segment earnings** | $ 386.7 | $ 44.7 | $ 758.7 | $ 40.8 |
| Costs related to restructuring actions | 132.7 | 31.4 | 91.6 | 70.2 |
| **Adjusted segment earnings** | $ 519.4 | $ 76.1 | $ 850.3 | $ 111.0 |

# Non-GAAP Financial Information
# Cash from Operations and Free Cash Flow

| (in millions) | Three Months Q4 2008 | Twelve Months 2008 |
|---|---|---|
| Net cash provided by (used in) operating activities | $ (90.9) | $ 144.2 |
| Net change in sold accounts receivable | 86.5 | (47.2) |
| **Net cash provided by (used in) operating activities before net change in sold accounts receivable (cash from operations)** | **(4.4)** | **97.0** |
| Capital expenditures | (33.9) | (167.7) |
| **Free cash flow** | **$ (38.3)** | **$ (70.7)** |

# 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 or currency exchange rates, the financial condition of the Company's customers or suppliers, changes in actual industry vehicle production levels from the Company's current estimates, fluctuations in the production of vehicles for which the Company is a supplier, the loss of business with respect to, or the lack of commercial success of, a vehicle model for which the Company is a significant supplier, including further declines in sales of full-size pickup trucks and large sport utility vehicles, disruptions in the relationships with the Company's suppliers, 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 negotiations, the impact and timing of program launch costs, the costs, timing and success of restructuring 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, the cost and availability of raw materials and energy, the Company's ability to mitigate 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, including the Company's ability to align its vendor payment terms with those of its customers, the Company's ability to access capital markets on commercially reasonable terms, further impairment charges initiated by adverse industry or market developments, the Company's ability to obtain a waiver or amendment under its primary credit facility and other risks described from time to time in the Company's Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, commodity prices and the Company's success in implementing its operating strategy.

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. Lear's 2009 – 2011 sales backlog is based on an exchange rate of $1.40/per Euro and the December 15, 2008 status of CSM Worldwide's industry production assumptions.

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.