



*First-Quarter Results and
Full-Year 2006 Financial Guidance*

April 26, 2006

▶▶ *advance relentlessly*

fast forward



Agenda

- ▶▶ Financial Review
 - *Jim Vandenberghe, Vice Chairman and CFO*
- ▶▶ Operating Review
 - *Doug DelGrosso, President and COO*
- ▶▶ Business Perspective and Outlook
 - *Bob Rossiter, Chairman and CEO*
- ▶▶ Q and A Session

Financial Review

First Quarter 2006 Highlights



- ▶▶ First-quarter financial results showed year-over-year improvement
- ▶▶ Successfully completed the refinancing of \$1 billion of debt
- ▶▶ Reached agreement to contribute European Interiors business to JV with WL Ross & Co. LLC in return for a minority stake^{*}
- ▶▶ Received recognition for excellence in quality and service from several major customers
- ▶▶ Continued to win new business with Asian manufacturers

***Company Is Financially Sound And Operating Results
Are Expected To Improve This Year^{*}***

\$1 Billion Financing and Credit Facility Amendment Revisions Completed*



- ▶▶ Entered into new \$1.0 billion first lien term loan facility
 - Matures April, 2012
 - Shares collateral and covenants with revolving credit facility
- ▶▶ Proceeds of new term loan will be utilized to:
 - Prepay existing \$400 million term loan due in 2007
 - Retire \$317 million convertible bond, putable in 2007
 - Address a portion of the 2008/2009 bond maturities
- ▶▶ Existing \$1.7 billion revolving credit facility remains in place
 - Amended to provide additional flexibility through 2008
 - Matures March, 2010
- ▶▶ Closed, funded and effective on April 25, 2006

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

First Quarter 2006 Industry Environment



	<u>First Quarter 2006</u>	<u>First Quarter 2006 vs. 2005</u>
<u>North America Production</u>		
Industry	4.1 mil	Up 4%
Big Three	2.8 mil	Up 2%
Lear's Top 15 Platforms	1.3 mil	Down 2%
<u>Europe Production</u>		
Industry	4.9 mil	Up 3%
Lear's Top 5 Customers	2.5 mil	Up 3%
Euro	\$1.20 / Euro	8% Weaker

First Quarter 2006 Financial Highlights



	<i>First Quarter 2006</i>	<i>First Quarter 2005</i>	<i>1Q '06 B/(W) 1Q '05</i>
(in millions, except net income per share)			
Net Sales	\$4,678.5	\$4,286.0	\$392.5
Income Before Interest, Other (Income) Expense and Income Taxes*	\$54.2	\$48.8	\$5.4
Margin	1.2%	1.1%	0.1 pt.
Pretax Income (Loss) Before Cumulative Effect of Accounting Change	\$14.8	(\$2.9)	\$17.7
Net Income	\$17.9	\$15.6	\$2.3
Net Income Per Share	\$0.26	\$0.23	\$0.03
SG&A % of Net Sales	3.5%	3.5%	0.0 pt.
Interest Expense	\$47.7	\$44.8	(\$2.9)
Depreciation / Amortization	\$97.8	\$95.6	(\$2.2)
Other (Income) Expense, Net	(\$8.3)	\$6.9	\$15.2

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

First Quarter 2006 Restructuring and Special Items



(in millions)	First Quarter	
	<i>Income Before Interest, Other (Income) Expense and Income Taxes*</i>	<i>Pretax Income (Loss)</i>
2006 Reported Results	\$ 54.2	\$ 14.8
<i>Reported results include the following items:</i>		
Restructuring Costs	25.0	24.6
Gains on Sales of Interests in JVs	-	(25.9)
2006 Core Operating Results	\$ 79.2	\$ 13.5
2005 Core Operating Results	\$ 48.8	\$ (2.9)

Memo:		
<i>Income Statement Category</i>		
<u>COGS</u>	<u>SG&A</u>	<u>Other (Income) Expense</u>
\$ 23.9	\$ 1.1	\$ (0.4)
-	-	(25.9)

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First Quarter 2006

Net Sales Changes and Margin Impact Versus Prior Year

Performance Factor	Net Sales Change <i>(millions)</i>	Margin Impact	Comments
Industry Production / Platform Mix / Net Pricing	\$ (135)	Slightly Negative	Concentrated in high-content platforms
Global New Business	630	Positive	2005 launches ramping up: DTS / Lucerne, Impala / Monte Carlo, Fusion / Milan / Zephyr, Ram, Sonata, Punto
F/X Translation	(125)	Neutral	Euro down 8%, Canadian dollar up 7%
Acquisitions (JV Consolidations) / Divestitures / Other	25	Neutral	JV consolidation impact slightly higher than divestitures
Commodity / Raw Material		Negative	Moderating, but still unfavorable year over year
Performance		Positive	Seating and Electronic and Electrical improvements, offset in part by adverse performance in Interiors

First Quarter 2006 Segment Results



	1Q '06	1Q '05	Comments
Seating			
Net Sales	\$ 2,992.5	\$ 2,748.7	■ Adding new business
Segment Earnings*	\$ 125.9	\$ 50.1	■ Improved Asian profitability
<i>% of Sales</i>	4.2%	1.8%	■ Net cost improvements
Electronic and Electrical			
Net Sales	\$ 787.3	\$ 774.5	■ Foreign exchange
Segment Earnings*	\$ 53.1	\$ 58.5	■ Inefficiencies related to major launches
<i>% of Sales</i>	6.7%	7.6%	■ Restructuring / transition to low-cost countries
Interior			
Net Sales	\$ 898.7	\$ 762.8	■ Pricing / high raw material costs
Segment Earnings*	\$ (59.5)	\$ (8.4)	■ Inefficiencies related to low capacity utilization / major launches
<i>% of Sales</i>	-6.6%	-1.1%	■ Engineering / stand-alone costs

* Segment earnings represent income (loss) before interest, other (income) expense and income taxes. Segment earnings include restructuring costs of \$25.0 million (Seating - \$16.1, Electronic and Electrical - \$2.1, Interior - \$6.8) in first quarter 2006.

First Quarter 2006

Free Cash Flow*

(in millions)

	First Quarter 2006
Net Income	\$ 17.9
Depreciation / Amortization	97.8
Working Capital / Other	(114.4)
Cash from Operations	\$ 1.3
Capital Expenditures	(92.6)
Free Cash Flow	\$ (91.3)

* Free Cash Flow represents net cash provided by operating activities (\$39.4 for the three months ended 4/1/06) before net change in sold accounts receivable (\$38.1 for the three months ended 4/1/06) less capital expenditures. Please see slides titled "Use of Non-GAAP Financial Information" at the end of this presentation for further information.

2006 Guidance Key Assumptions*



	<u>2006 Guidance</u>	<u>2006 vs. 2005</u>
<u>North America Production</u>		
Industry	≈ 15.7 mil	down slightly
Lear's Top 15 Platforms	≈ 5.0 mil	down about 5%
Lear Launches	high	down from 2005 peak
<u>Europe Production</u>		
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*


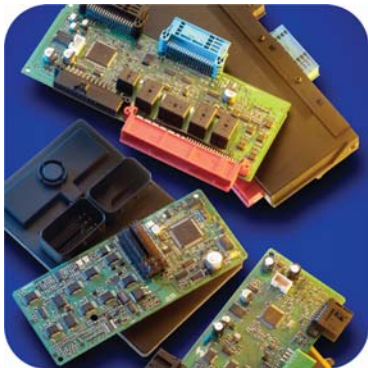



<u>(in millions)</u>	<u>2005</u>	<u>2006 Guidance</u>
Net Sales	\$17,089	≈ \$17,700
<u>Core Operating Earnings</u>	\$325	\$400 - 440
Income before interest, other expense, income taxes, impairments, restructuring costs and other special items		
Interest Expense	\$183	\$220 - 230
<u>Pretax Income</u>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

* Pretax loss for 2005 was \$1,187 million. 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

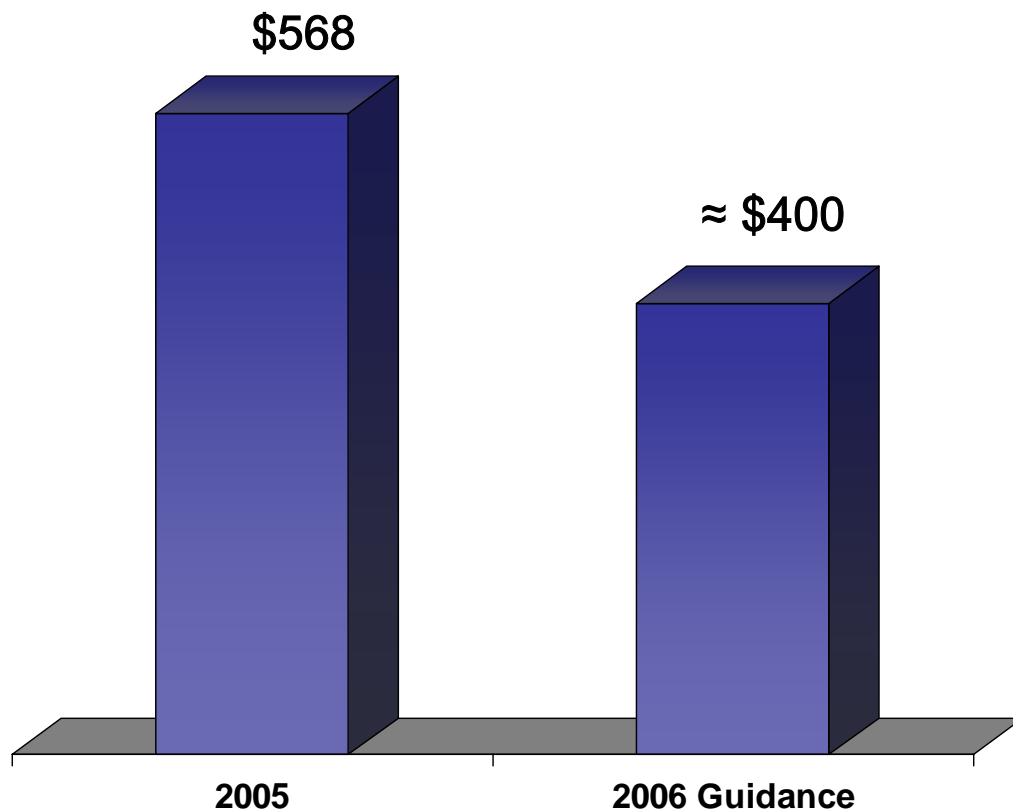
Directional Assessment of Segment Results*

		<u>2006 vs. 2005</u>	
	<u>Segment</u>	<u>Net Sales</u>	<u>Margin</u>
	Seating	Up	Improves
	Electronic and Electrical	Flat	Flat
	Interior	Up	Loss

* Please see slide titled "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

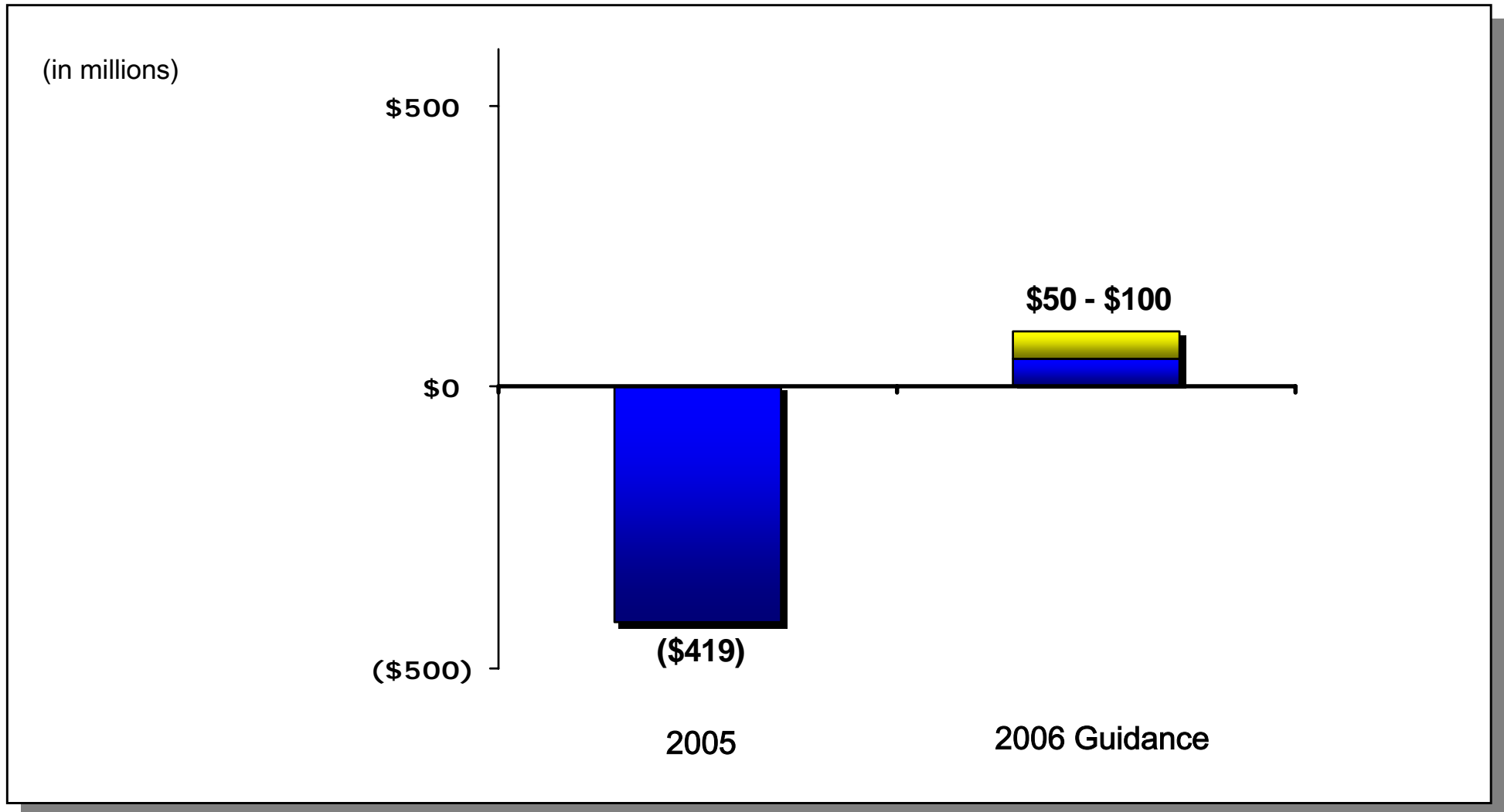
\$ 393

\$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*



* Net cash provided by operating activities for 2005 was \$561 million. Please see slides titled "Use of Non-GAAP Financial Information" and "Forward-Looking Statements" at the end of this presentation for further information.

Operating Review

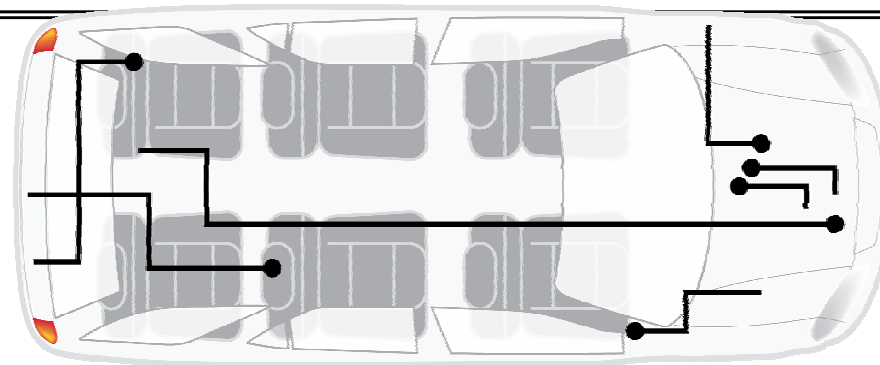
Making Progress on Operating Priorities

- ▶▶ Achieved continued improvement in quality and customer satisfaction metrics; received numerous customer awards
- ▶▶ Introduced new Core Dimension product strategy at SAE World Congress
- ▶▶ Significant progress on winning new Asian business globally
- ▶▶ Significant progress on restructuring initiatives and cost improvements
- ▶▶ Successful launch of major new programs








Recent Customer and Industry Recognition

- ▶▶ Toyota--Superior Supplier Diversity and Excellence in Quality
- ▶▶ Honda--Delivery and Quality Performance
- ▶▶ Volvo Cars--Supplier Award of Excellence
- ▶▶ Volkswagen--Supplier of the Year in South Africa
- ▶▶ Mahindra & Mahindra--Best Performance in Product Development
- ▶▶ GAZ--Best Supplier Award
- ▶▶ Philippine Economic Zone--Employer of the Year
- ▶▶ Society of Plastics Engineers--Excellence in Performance & Customization for the cargo compartment on Ford Escape
- ▶▶ JD Power 2005 Seat Quality Survey--Highest Quality Major Seat Supplier for Past Five Years

Innovative Product Solutions



CORE DIMENSIONS STRATEGY

						
<u>SAFETY</u>	<u>ENVIRONMENTAL</u>	<u>FLEXIBILITY</u>	<u>COMFORT & CONVENIENCE</u>	<u>INFOTAINMENT</u>	<u>COMMONIZATION</u>	<u>CRAFTSMANSHIP</u>
• ProTec™ PLuS	• Lt. Weight Back Panel	• Cushion Tilt 2 nd Row	• ComforTec	• Premium Audio Amplifier	• Lear Flexible Seat Architecture	• Sculpted Seat Technology
• Adaptive Front Light System	• Soy Foam	• Remote Release 2 nd Row Easy Entry	• Climate Seat	• Rear Seat Entertainment	• Gateway Module	• Flat Flexible Cable
• IntelliTire™	• Polyurethane Foam Alternatives	• Thin Profile Folding Rear	• Passive Entry	• TV Receiver Analog	• Passive Junction Box	• Seamless Airbag Cover
• Car2U™ Two-Way Remote Keyless Entry	• Battery Monitory System	• SmartFold™ 3 rd Row	• Car2U™ Home Automation System		• Smart Junction Box	• Trim Clip
• Immobilizer			• Pneumatic Seat			• Insert Molded Carpet
• Foam in Place Head Impact Countermeasure	• DC/AC Inverters		• Integrated Seat Adjuster Module			

Safety Dimension

Examples of Lear Product Offerings

ProTec™ Plus

Provides early and sustained support to the occupant's head in a rear-impact collision:

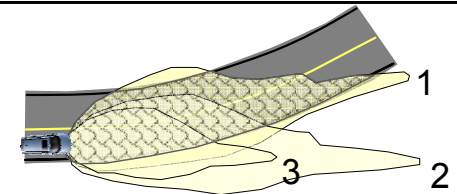
- ▶ First generation – 3.6M vehicles
- ▶ Second generation self-aligning head restraint
- ▶ Significantly reduces forces and movements in the neck
- ▶ Improved comfort by exceeding regulatory requirements
- ▶ Potential for improved rear and lateral vision
- ▶ Meets new 2008 safety regulations
- ▶ Marketing to all OEMs



Adaptive Front Light System (AFS)

Better illumination of the road ahead, up to 90% more light in curves:

- ▶ Allows flexible and cost-efficient application of AFS functionality
- ▶ Fast response time and smooth movement
- ▶ Combines light bending and automatic headlamp leveling in one unit
- ▶ Designed for deployment across multiple car lines



1= Adaptive Front Light (90m)
2= Conventional HID light, no AFS
3= Conventional Halogen (50m)

 = illuminated area

Tire Pressure Monitoring System (IntelliTire™)

Alerts the driver to changes in tire pressure or temperature:

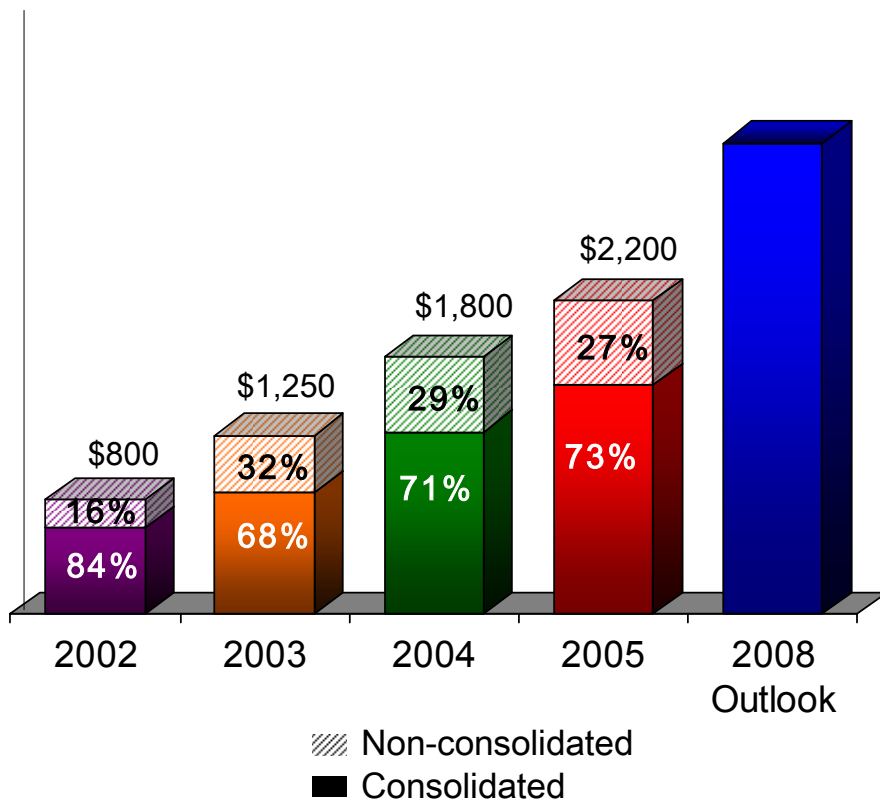
- ▶ High volume product
- ▶ Basic TPMS functionality is U.S. government-mandated over 2006 - 2008
- ▶ Basic system meets regulations / premium system has more advanced features



Continue to Diversify Customer Base*

Revenue in Asia and with Asian Manufacturers

(in millions)



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.

Restructuring Implementation Status*

2006 Cost and Cash Impact

(in millions)	<u>Pretax Cost</u>	<u>Cash</u>
First Quarter	\$ 25	\$ 25
Balance of Year	<u>≈ \$ 95 - 125</u>	<u>≈ \$100 - 130</u>
Total	<u>≈ \$120 - 150</u>	<u>≈ \$125 - 155</u>

2005 / 2006 Actions

- ▶ Announced closure of nine manufacturing facilities and several administrative offices
- ▶ Targeting closure of five to seven additional manufacturing facilities
- ▶ Implementing census reductions and other efficiency actions

***Objectives Are To Eliminate Excess Capacity,
Streamline Organizational Structure
And Accelerate Manufacturing Footprint Actions***

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

Business Perspective and Outlook

Perspective on the Business*

- ▶▶ **Lear is Financially Sound**
 - Successfully Refinanced \$1 Billion of Debt
- ▶▶ **Operating Results Improving**
 - Seating Business Improving
 - Electronic and Electrical Business Performing Well
 - Returning to Positive Free Cash Flow this Year
- ▶▶ **Addressing Strategic Challenges**
 - Addressing Underperforming Interiors Business
 - Continuing to Diversify our Customer Base
- ▶▶ **Managing Risks and Evaluating Opportunities**

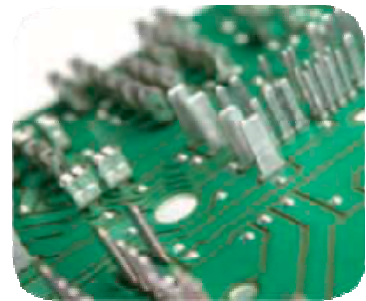
* Please see slide titled “Forward-Looking Statements” at the end of this presentation for further information.

Margin Outlook for Seating and Electronic and Electrical Segments*



- ▶▶ 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 levels



- ▶▶ Maintain Electronic and Electrical margin profile . . .

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

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New Business Model for Interiors Business*

- ▶▶ This segment of the market continues to be under pressure
- ▶▶ Despite restructuring actions, losses continue this year
- ▶▶ Repositioning this business remains a top priority
- ▶▶ Lear signed a Letter of Intent to contribute substantially all of its European Interiors business to a joint venture with WL Ross & Co. LLC in return for a minority equity stake
- ▶▶ Aggressively pursuing a solution for North American Interiors business

Executing Interiors Strategy On Expedited Basis

New Asian Business*

<u>Automaker</u>	<u>Market</u>	<u>Lear Business</u>	<u>Vehicle Program</u>
Nissan	North America	Est. Tacle JV with Tachi-S to Support New Seating	Future Programs
Chery	China	Seating	QQ/TIGGO
Mazda	China	Seating	Mazda 2
Mahindra & Mahindra	India	Seating	U-Series
Various Chinese	China	Primarily Seating and Electrical	Numerous Programs

***Continuing To Win New Business In Asia
And With Asian Manufacturers Globally***

Summary and Outlook*

Lear is Financially Sound

- ▶▶ Successfully Refinanced \$1 Billion of Debt

Operating Results Showing Improvement

- ▶▶ Continued Progress on Implementing Restructuring Actions
- ▶▶ First-Quarter Operating Results Better than a Year Ago
- ▶▶ Full-Year Results On-Track for Improvement

Making Progress on Strategic Priorities

- ▶▶ Signed Letter of Intent to Contribute European Interiors Business to Joint Venture with WL Ross & Co. LLC
- ▶▶ Continuing to grow Asian Sales, Including New Seating Business with Nissan in N.A. and Several Programs in Asia

Longer-Term Outlook Remains Positive

- ▶▶ Company is Managing Near-Term Challenges
- ▶▶ Positioning for Improved Long-Term Competitiveness



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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 (income) expense and income taxes,” “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 income before interest, other (income) expense and income taxes, 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.

Income before interest, other (income) expense and income taxes, 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 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 (income) expense and income taxes

(in millions)

Income (loss) before income taxes and cumulative
effect of a change in accounting principle

Interest expense

Other (income) expense, net

Income before interest, other (income) expense and
income taxes

Q1 2006

Q1 2005

\$ 14.8

\$ (2.9)

47.7

44.8

(8.3)

6.9

\$ 54.2

\$ 48.8

Use of Non-GAAP Financial Information

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

	2005
	(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><u>\$ 324.5</u></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

<u>Free Cash Flow</u> (in millions)	<u>Q1 2006</u>	<u>2005</u>
Net cash provided by operating activities	\$ 39.4	\$ 560.8
Net change in sold accounts receivable	<u>(38.1)</u>	<u>(411.1)</u>
Net cash provided by operating activities before net change in sold accounts receivable (cash from operations)	\$ 1.3	\$ 149.7
Capital expenditures	<u>(92.6)</u>	<u>(568.4)</u>
Free cash flow	<u>\$ (91.3)</u>	<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 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 is subject to the negotiation and execution of a definitive agreement and other conditions. No assurances can be given that the proposed transaction 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.