
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **April 22, 2005**

LEAR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-11311
(Commission File Number)

13-3386776
(IRS Employer Identification Number)

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

48034
(Zip Code)

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

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

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

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

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 April 22, 2005, Lear Corporation issued a press release reporting its financial results for the first quarter of 2005 and updating its earnings guidance for 2005. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On April 22, 2005, Lear Corporation made available the presentation slides attached hereto as Exhibit 99.2 in a webcast of its first quarter 2005 earnings call. Exhibit 99.2 is incorporated by reference herein.

The information contained in Exhibit 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 8 – Other Events

Item 8.01 Other Events.

Lear Corporation’s press release issued April 22, 2005, reporting its financial results for the first quarter of 2005 and updating its earnings guidance for 2005, attached hereto as Exhibit 99.1, is incorporated by reference herein.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release issued April 22, 2005, filed herewith.

99.2 Presentation slides from the Lear Corporation webcast of its first quarter 2005 earnings call held on April 22, 2005, furnished herewith.

SIGNATURE

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

LEAR CORPORATION,
a Delaware corporation

Date: April 22, 2005

By: /s/ David C. Wajsgras
Name: David C. Wajsgras
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued April 22, 2005, filed herewith.
99.2	Presentation slides from the Lear Corporation webcast of its first quarter 2005 earnings call held on April 22, 2005, furnished herewith.

Investor Relations:

Anne Bork
(248) 447-5914

Media:

Andrea Puchalsky
(248) 447-1651

**Lear Reports First-Quarter Financial Results
and Updates 2005 Financial Guidance**

Southfield, Mich., April 22, 2005 — Lear Corporation [NYSE: LEA], one of the world's largest automotive interior systems suppliers, today reported financial results for the first quarter of 2005 and updated 2005 earnings guidance.

First-Quarter Results:

- **Net sales were \$4.3 billion versus \$4.5 billion a year ago**
- **Net income per share was \$0.23, including a one-time tax benefit of \$0.26 per share resulting from a tax law change in Poland**
- **Free cash flow was negative \$11 million**

For the first quarter of 2005, Lear posted net sales of \$4.3 billion and net income of \$15.6 million, or \$0.23 per share, including a one-time tax benefit of \$0.26 per share resulting from a tax law change in Poland. These results compare to net sales of \$4.5 billion and net income of \$91.4 million, or \$1.24 per share, for the first quarter of 2004.

The decrease in net sales from the prior year primarily reflects unfavorable vehicle platform mix in North America, as well as lower industry production in Lear's major markets. Net income per share in the quarter declined from the year earlier results primarily due to lower sales and the adverse net impact of higher raw material costs.

"Industry conditions in North America are very difficult. In this challenging environment, we are evaluating every element of our cost structure for further efficiencies, and we are reviewing all aspects of our global business to ensure that we are positioned for long-term profitable growth," said Bob Rossiter, Lear Chairman and Chief Executive Officer.

Free cash flow was negative \$10.9 million for the first quarter of 2005. (Net cash provided by operating activities was \$118.5 million. A reconciliation of free cash flow to net cash provided by operating activities is provided in the attached supplemental data page.)

Second-Quarter and Full-Year 2005 Outlook

For the second quarter of 2005, net sales are expected to be approximately \$4.5 billion, up about 6% from a year ago. This reflects the addition of new business globally and the favorable impact of currency exchange, offset in part by unfavorable vehicle platform mix. Net income per share is expected to be in the range of \$0.20 to \$0.40, compared with \$1.58 for the second quarter of 2004.

For the full year of 2005, net sales are expected to be \$17.5 to \$17.7 billion, reflecting primarily the addition of new business globally. Lear's 2005 industry production planning assumptions are 15.5 to 15.8 million units in North America and 18.3 to 18.6 million units in Europe. Given this industry outlook and a forecasted tax rate of about 25% (excluding the first-quarter tax benefit), net income per share is expected to be in the range of \$2.75 to \$3.25, including the first-quarter tax benefit. Full-year capital spending is now forecasted to be approximately \$550 million. Depreciation is expected to be about \$425 million. Free cash flow is expected to be in the range of negative \$50 million to breakeven, which includes the one-time negative impact of changes in customer payment terms. Interest expense is expected to be about \$180 million. See "Forward-Looking Statements" below for a description of factors that could impact actual operating results.

Lear Corporation, a Fortune 500 company headquartered in Southfield, Mich., USA, focuses on integrating complete automotive interiors, including seat systems, interior trim and electrical systems. With annual net sales of \$17 billion in 2004, Lear is one of the world's largest automotive interior systems suppliers. The Company's world-class products are designed, engineered and manufactured by more than 110,000 employees in 34 countries.

Lear Corporation [NYSE: LEA] will hold a conference call to review the Company's first-quarter 2005 financial results and related matters on Friday, April 22, 2005, at 9:00 a.m. EDT. To participate in the conference call, dial 1-800-789-4751 (domestic) or 1-706-679-3323 (international). You may also listen to the live audio webcast of the call, in listen- only mode, on the corporate website at www.lear.com. An audio replay will be available two hours following the call at 1-800-642-1687 (domestic) and 1-706-645-9291 (international). The audio replay will be available until May 2, 2005 (Conference I.D. 4092894).

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 news release, the Company has provided information regarding “free cash flow” (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 income, 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.

For a reconciliation of historical free cash flow to net cash provided by operating activities, see the supplemental data page which, together with this news release, has been posted on the Company’s website through the Investor Relations link at www.lear.com.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results. 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, 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, raw material cost and availability, the Company’s ability to mitigate the significant impact of recent increases in raw material prices, the outcome of

legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in free cash flow and other risks described from time to time in the Company's Securities and Exchange Commission filings.

In addition, the second-quarter and full-year 2005 per share earnings guidance is based on an assumed 68 million and 73 million shares outstanding, respectively. The full-year assumed shares include 4.8 million shares related to the outstanding contingently convertible debt. The second-quarter assumed shares exclude such shares as they are antidilutive.

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 them.

#

Lear Corporation and Subsidiaries
Consolidated Statements of Income

(Unaudited; in millions, except per share amounts)

	Three Months Ended	
	April 2, 2005	April 3, 2004
Net sales	\$ 4,286.0	\$ 4,492.1
Cost of sales	4,086.1	4,145.2
Selling, general and administrative expenses	151.1	167.7
Interest expense	44.8	39.1
Other expense, net	6.9	14.1
Income (loss) before income taxes	(2.9)	126.0
Income tax provision (benefit)	(18.5)	34.6
Net income	<u>\$ 15.6</u>	<u>\$ 91.4</u>
Basic net income per share	<u>\$ 0.23</u>	<u>\$ 1.34</u>
Diluted net income per share	<u>\$ 0.23</u>	<u>\$ 1.24</u>
Weighted average number of shares outstanding — basic	<u>67.2</u>	<u>68.4</u>
Weighted average number of shares outstanding — diluted	<u>68.7</u>	<u>75.4</u>

**Lear Corporation and Subsidiaries
Consolidated Balance Sheets**

(In millions)

	April 2, 2005 (Unaudited)	December 31, 2004 (Audited)
ASSETS		
Current:		
Cash and cash equivalents	\$ 525.6	\$ 584.9
Accounts receivable	2,527.8	2,584.9
Inventories	620.6	621.2
Recoverable customer engineering and tooling	266.9	205.8
Other	337.8	375.2
	<u>4,278.7</u>	<u>4,372.0</u>
Long-Term:		
PP&E, net	2,023.9	2,019.8
Goodwill, net	3,022.5	3,039.4
Other	496.3	513.2
	<u>5,542.7</u>	<u>5,572.4</u>
Total Assets	<u>\$ 9,821.4</u>	<u>\$ 9,944.4</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current:		
Short-term borrowings	\$ 40.4	\$ 35.4
Accounts payable and drafts	2,773.6	2,777.6
Accrued liabilities	1,158.5	1,202.1
Current portion of long-term debt	628.8	632.8
	<u>4,601.3</u>	<u>4,647.9</u>
Long-Term:		
Long-term debt	1,853.3	1,866.9
Other	714.9	699.5
	<u>2,568.2</u>	<u>2,566.4</u>
Stockholders' Equity	<u>2,651.9</u>	<u>2,730.1</u>
Total Liabilities and Stockholders' Equity	<u>\$ 9,821.4</u>	<u>\$ 9,944.4</u>

**Lear Corporation and Subsidiaries
Supplemental Data**

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

	Three Months Ended	
	April 2, 2005	April 3, 2004
Net Sales		
North America	\$ 2,229.9	\$ 2,506.0
Europe	1,781.9	1,756.6
Rest of World	274.2	229.5
Total	<u>\$ 4,286.0</u>	<u>\$ 4,492.1</u>
Content Per Vehicle *		
North America	\$ 553	\$ 588
Total Europe	\$ 376	\$ 355
Free Cash Flow **		
Net cash provided by operating activities	\$ 118.5	\$ 56.8
Net change in sold accounts receivable	—	70.4
Net cash provided by operating activities <u>before</u> net change in sold accounts receivable	118.5	127.2
Capital expenditures	(129.4)	(77.3)
Free cash flow	<u>\$ (10.9)</u>	<u>\$ 49.9</u>
Depreciation	\$ 94.5	\$ 83.1
Basic Shares Outstanding at end of quarter	67,084,461	68,911,262
Diluted Shares Outstanding at end of quarter ***	68,267,245	75,357,982

* Content Per Vehicle for 2004 has been updated to reflect actual production levels.

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

*** Calculated using stock price at end of quarter. Diluted shares outstanding at April 2, 2005 exclude approximately 4.8 million shares related to outstanding convertible debt as such shares were antidilutive in the first quarter of 2005.



Exhibit 99.2

*First Quarter 2005 Results and
Second Quarter and Full Year 2005 Guidance*

April 22, 2005



Agenda

- ▶▶ Operating Review
 - *Jim Vandenberghe, Vice Chairman*
- ▶▶ Financial Review and Updated 2005 Guidance
 - *Dave Wajsgras, SVP and CFO*
- ▶▶ Strategic Direction and Outlook
 - *Bob Rossiter, Chairman and CEO*
- ▶▶ Q & A

Operating Review

First Quarter Summary

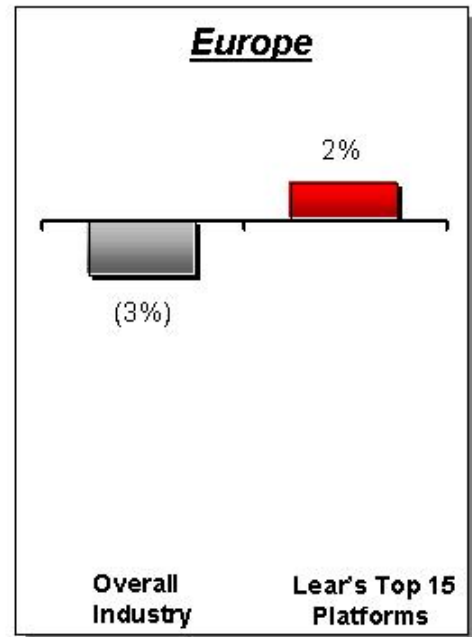
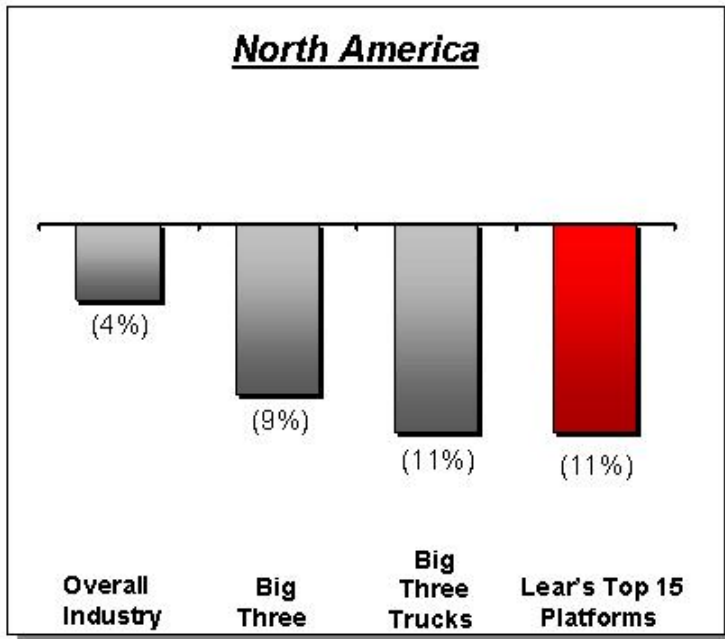
- ▶▶ Business conditions very challenging
 - Industry production down 4% in N.A. and 3% in Europe
 - Lear's top fifteen platforms down 11% in N.A.
 - Raw material prices continue at high levels
- ▶▶ Net sales were \$4.3 billion, down 5%
- ▶▶ Net income was \$0.23 per share, including a one-time tax benefit of \$0.26 per share
- ▶▶ Free cash flow* was negative \$11 million

***Adverse Mix, Volume and Raw Material Costs
Severely Depressed First Quarter Financial Results***

* Please see slide titled "First Quarter Free Cash Flow" and slides titled "Use of Non-GAAP Financial Information" at the end of this presentation for further information.

First Quarter Production Environment

Q1 2005 Compared With Q1 2004



Impact Of Commodity Movements

Key Commodities	Action Plan
Steel	<ul style="list-style-type: none"> ▶▶ Factor into customer productivity requirements ▶▶ Lear's Cost Technology Optimization process
Resins	<ul style="list-style-type: none"> ▶▶ Supply base compression ▶▶ Re-sourcing – develop new sources of supply
Chemicals	<ul style="list-style-type: none"> ▶▶ In-sourcing – fill open capacity where appropriate ▶▶ Low-cost country sourcing and engineering
Energy	<ul style="list-style-type: none"> ▶▶ Supplier Lean Manufacturing and Six Sigma

Continuing To Work With Customers And Supply Base 6

Lear's Game Plan

- ▶▶ Aggressively implement cost improvement initiatives
- ▶▶ Improve quality and ensure flawless launches
- ▶▶ Continue to profitably grow our sales backlog:
 - Focusing on customer diversification
 - Continuing to expand presence in Asia
- ▶▶ Evaluate repositioning actions to eliminate excess capacity and improve cost structure

***Near-Term Focus Is On The Things We Can Control --
Quality, Efficiency, Customer Satisfaction And Growth*** 7

2005 And 2006 Sales Backlog*

- ▶▶ \$1.55 billion of new business coming online in 2005
- ▶▶ \$3.8 billion of new business coming online over the next three years
- ▶▶ 2005 is a transition year for Lear's platform mix:
 - More than half of Lear's major North American platforms are turning over during 2005. . .
 - Representing more than 40% of North American revenue

Entering An Unprecedented Period Of New Business Coming Online

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

Major North American Launches



Cadillac DTS
Total Interior Integrator,
Electrical Distribution
SOP: 3Q 2005



Buick Lucerne
Total Interior Integrator,
Electrical Distribution
SOP: 4Q 2005



Dodge Ram Truck
Seats, Doors, Instrument Panel,
Overhead Systems
SOP: 3Q 2005



Ford Explorer / Mountaineer
Seats, Doors, Electrical Distribution
SOP: 3Q 2005

Major North American Launches (continued)



Chevy Impala / Chevy Monte Carlo
Seats
SOP: 2Q / 3Q 2005



Ford Fusion / Milan / Zephyr
Seats
SOP: 3Q 2005



Chevy HHR
Cockpit, Flooring & Acoustics
SOP: 2Q 2005



Hyundai Sonata
Seats, Wire Harness
SOP: 1Q 2005

Major European / Asian Launches



BMW 3 Series
Seats, Electronics
SOP: 1Q 2005



Audi A6 - China
Seats
SOP: 1Q 2005



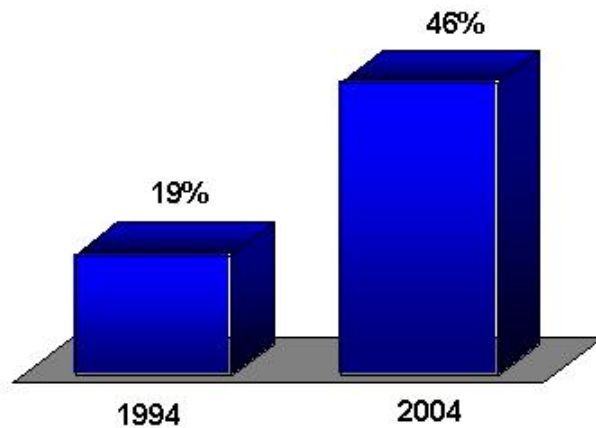
Nissan Serena
Electrical Distribution
SOP: 2Q 2005



Peugeot 407 Coupe
Seats
SOP: 2Q 2005

Continuing To Diversify Our Customer Mix

Non-Traditional Big Three*



Recent Customer Diversification

- Hyundai
 - Sonata: seats & wire harness award in NA
 - Several electronics awards (TPMS) in NA
 - Tucson: seats in Korea
 - Tucson/Sonata: seats in China
- Nissan
 - Global seating with JV partner, Tachi-S
 - Electrical distribution program in Europe
- Toyota
 - Tundra: interior trim award in NA
 - Aygo: seats (Toyota/PSA JV) in Europe
- VW/Audi
 - Seats and electronics in Europe
 - Audi A6: seats in China

Presence In Asia Positions Us For Future Growth

* Excludes affiliates of GM (other than Opel), Ford and DaimlerChrysler.

Present Business Assessment*

- ▶▶ Three key factors impacting near-term results --
adverse platform mix, lower industry volume and
high raw material and energy prices

- ▶▶ Financial outlook improving the balance of this year
and into 2006

- ▶▶ Currently evaluating our global business to best
position Lear for long-term profitable growth

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

Financial Review and Updated 2005 Guidance

Financial Highlights – First Quarter 2005

(in millions, except net income per share)	<i>First Quarter 2005</i>	<i>First Quarter 2004</i>	<i>1Q '05 B/(W) 1Q '04</i>
Net Sales	\$4,286.0	\$4,492.1	\$(206.1)
Income before Interest, Other Expense & Income Taxes (core operating earnings)*	\$48.8	\$179.2	\$(130.4)
Margin	1.1%	4.0%	(2.9)%
Net Income	\$15.6**	91.4	\$(75.8)
Net Income Per Share	\$0.23**	\$1.24	\$(1.01)
SG&A % of Net Sales	3.5%	3.7%	0.2 %
Interest Expense	\$44.8	\$39.1	\$(5.7)
Other Expense, Net	\$6.9	\$14.1	\$ 7.2
Effective Tax Rate	24.5%***	27.5%	3.0%

* Income (loss) before income taxes for the first quarter 2005 and 2004 was \$(2.9) and \$126.0, respectively. Please see slides titled "Use of Non-GAAP Financial Information" at the end of this presentation for further information.

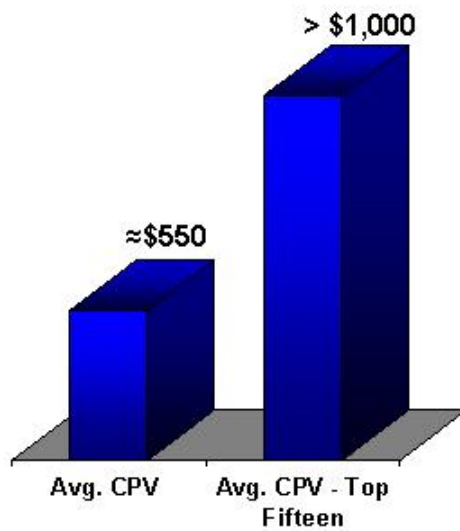
** Includes tax benefit of \$17.8 M, or \$0.26 per share, resulting from a tax law change in Poland. Per share amount excludes the impact of our outstanding contingently convertible senior notes, as such impact was antidilutive.

*** Excludes tax benefit of \$17.8 M, or \$0.26 per share, resulting from a tax law change in Poland.

Adverse First Quarter Mix Impact Driven By Sharp Declines In High Content Platforms



North America



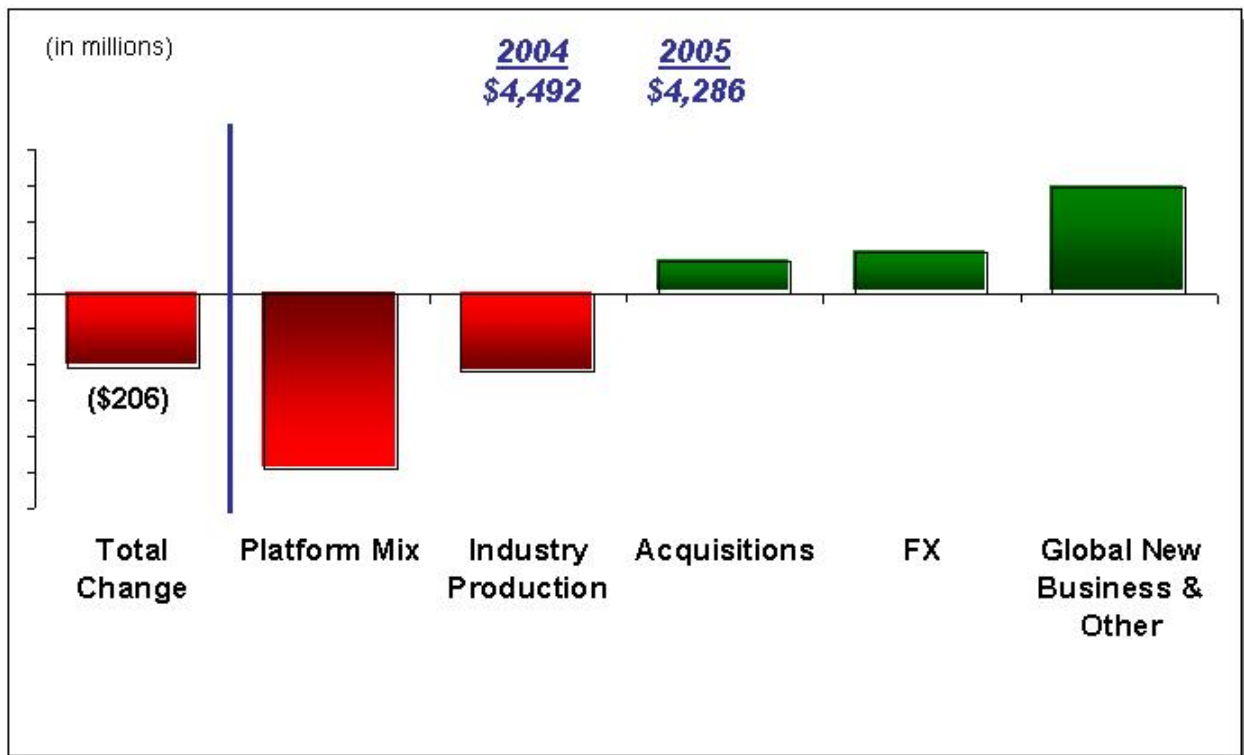
Lear's Key N.A. Platforms

B/(W)
1Q 2004

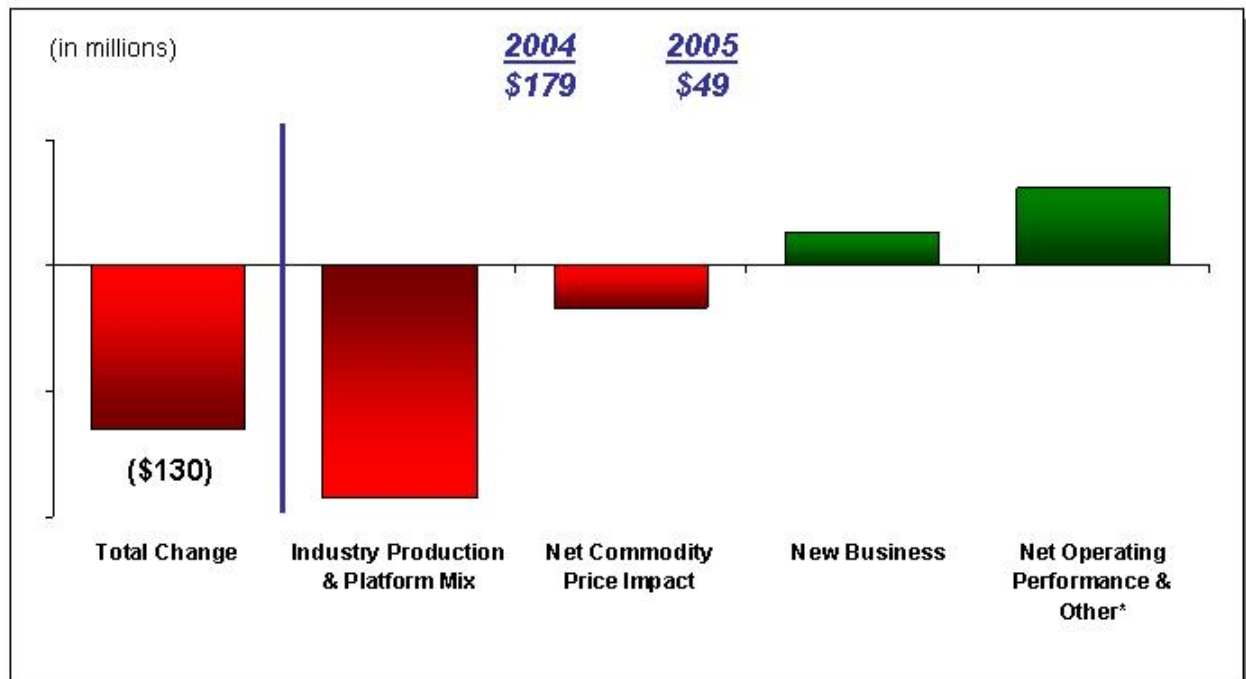
Ford Explorer / Mountaineer	(40%)
GM Yukon / Tahoe / Escalade	(35%)
DCX Durango	(34%)
Ford Crown Vic / Grand Marquis	(29%)
GM Grand Prix / LaCrosse / Impala / Intrigue / Regal	(21%)
DCX Ram	(17%)
GM Silverado / Sierra / Avalanche	(14%)
DCX Jeep Liberty	(13%)
Ford Mustang	(3%)
Ford F-Series	(1%)
BMW X5	3%
DCX Grand Cherokee	11%
Ford Five Hundred / Freestyle / Taurus / Sable	25%
Ford Escape / Tribute / Mariner	34%
Subaru Legacy / Outback	48%
Top Fifteen Platforms	(11%)

Source: Ward's Automotive

1Q05 vs 1Q04 - Change In Net Sales



1Q05 vs 1Q04 - Change In Core Operating Earnings**



* Includes the impact of currency exchange.

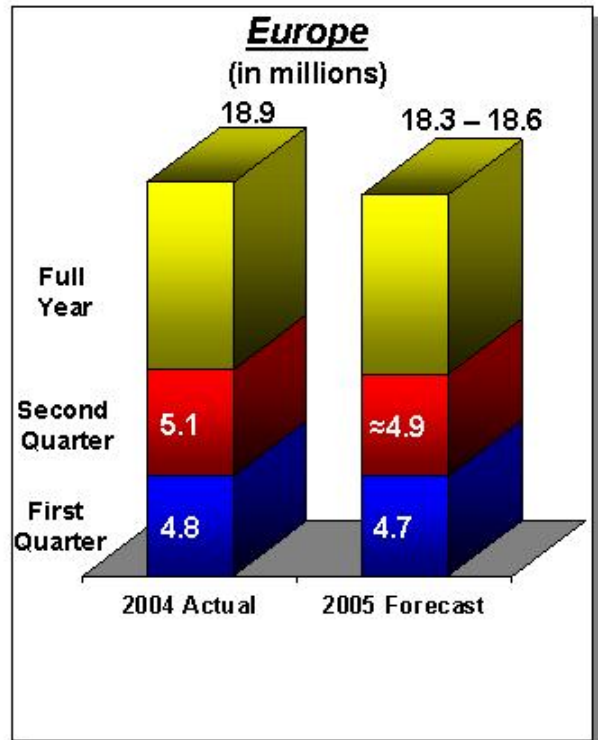
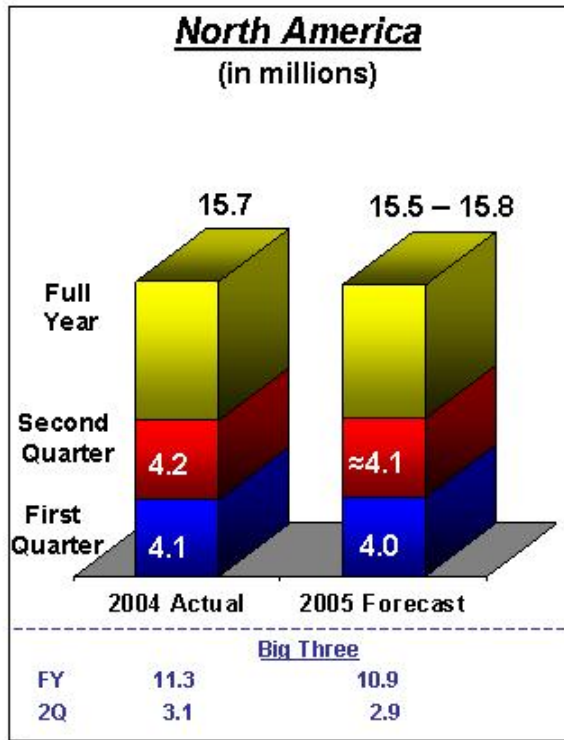
** Please see slides titled "Use of Non-GAAP Financial Information" at the end of this presentation for further information.

First Quarter Free Cash Flow*

(in millions)	Three Months
Net Income	\$ 15.6
Depreciation / Amortization	95.6
Working Capital / Other	7.3
Cash from Operations	\$ 118.5
Capital Expenditures	(129.4)
Free Cash Flow	\$ (10.9)

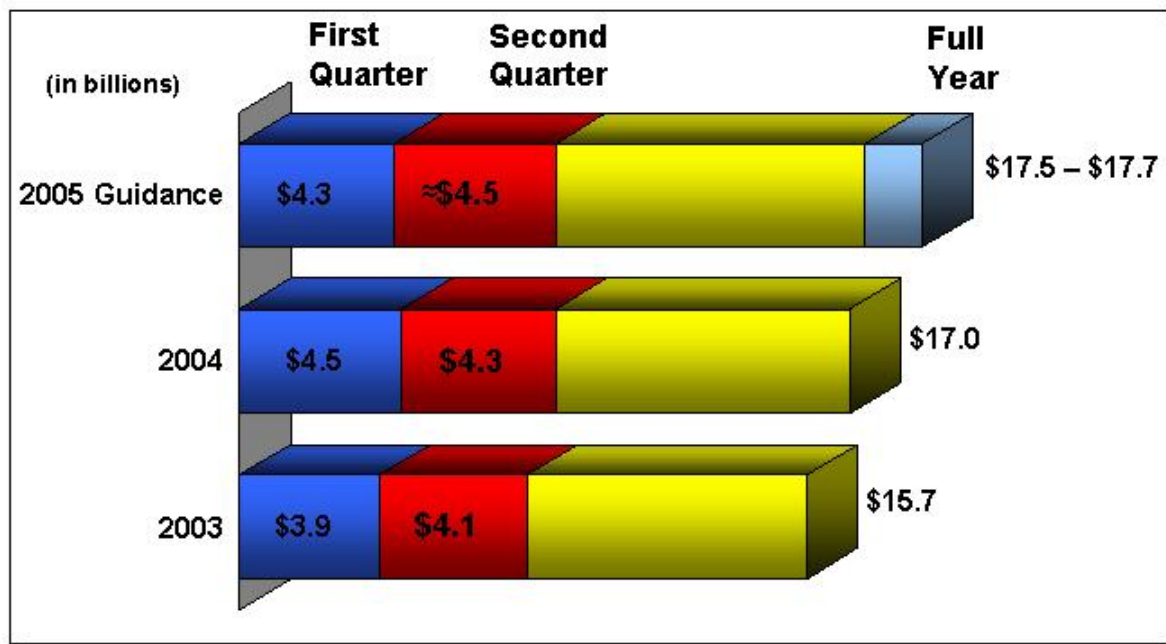
* Free Cash Flow represents net cash provided by operating activities (\$118.5M for three months ended 4/2/05) before net change in sold accounts receivable (\$0 for three months ended 4/2/05) less capital expenditures. Please see slides titled "Use of Non-GAAP Financial Information" at the end of this presentation for further information.

2005 Outlook Vehicle Production Assumptions*



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

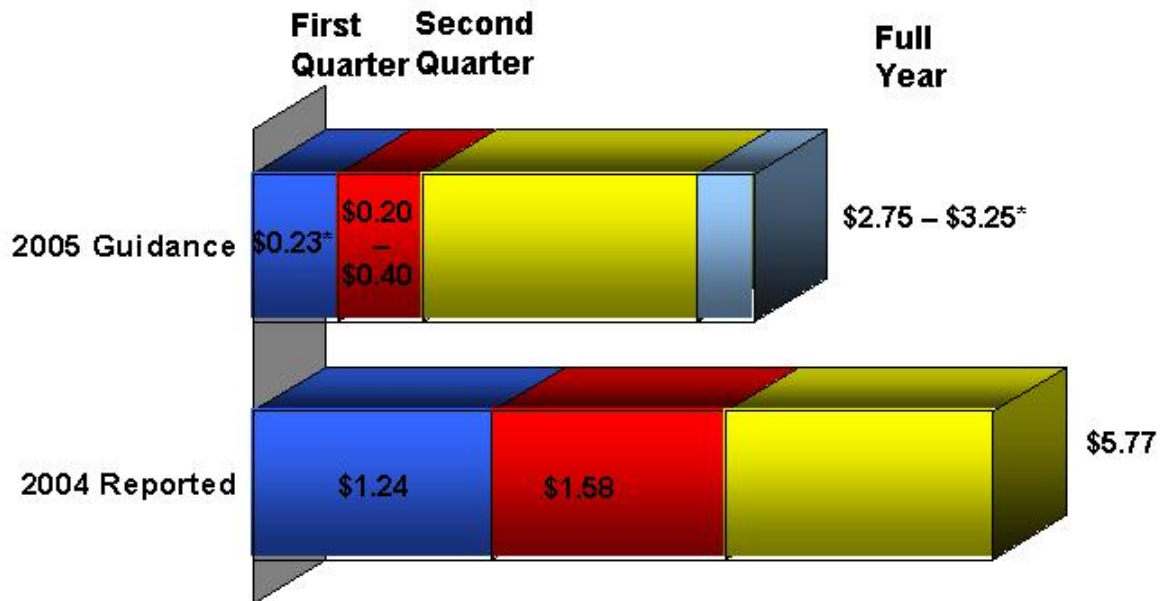
2005 Outlook Net Sales*



2005 Net Sales Increase Reflects Strong Backlog

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

2005 Outlook Net Income Per Share**



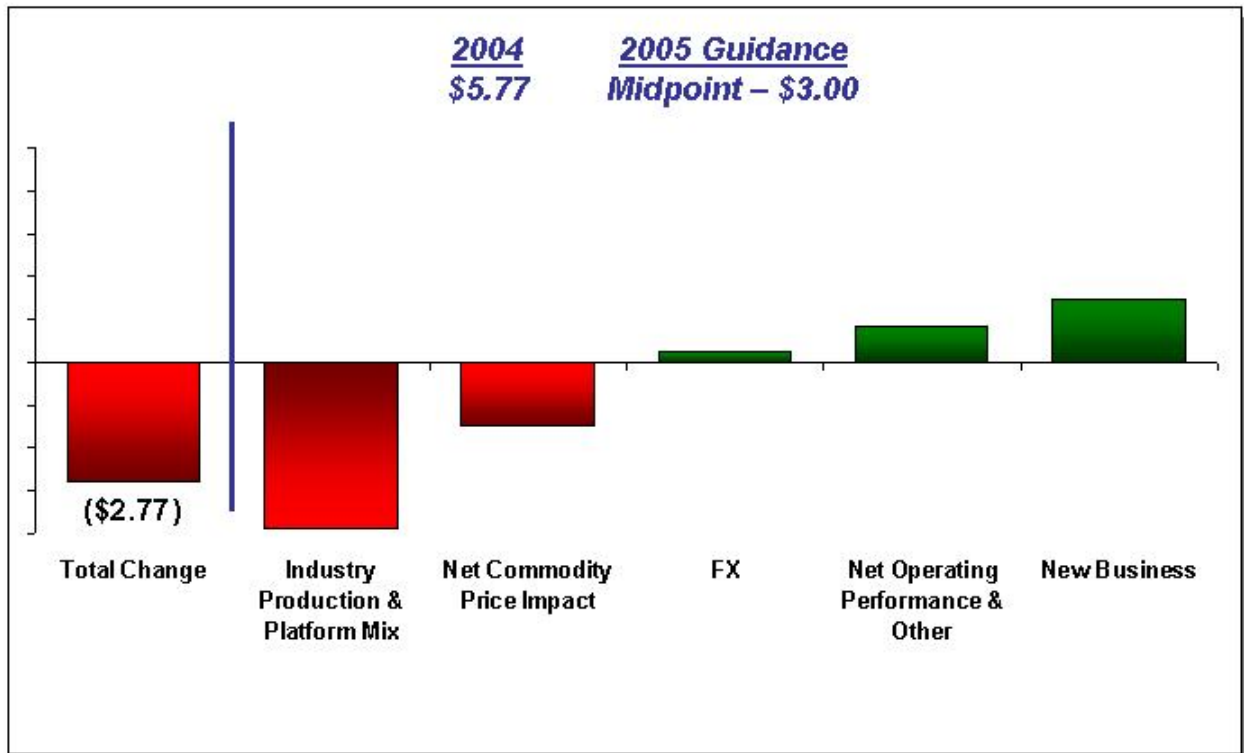
* Includes first-quarter tax benefit resulting from a tax law change in Poland.

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

2005 Outlook



Full Year - Change In Net Income Per Share*



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

2005 Outlook

Other 2005 Full Year Financial Guidance



Free Cash Flow**	(\$50) million – breakeven
Interest Expense	≈\$180 million
Tax Rate*	≈25%
Depreciation	≈\$425 million
Capital Expenditures	≈\$550 million
Euro	\$1.25 – \$1.35 / Euro

* Excludes one-time tax benefit resulting from a tax law change in Poland.

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

2005 Outlook

2005 Capital Spending And Free Cash Flow*



Capital Spending

	Amount (in millions)
Prior Guidance	\$ 450
Lear-owned tooling	
Asian infrastructure	
Terminals & connectors	
New programs & timing changes	
Revised Guidance	\$ 550

Free Cash Flow

	Amount (in millions)
Prior Guidance	\$ 250
Lower income	
Higher capital spending	
Revised Guidance	Negative \$50 to break even
<p>► Includes negative impact of change in customer payment terms</p>	

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

2005 Outlook

Volume And Cost Factors Improve In Second Half*

	<u>First Half</u>	<u>Second Half</u>
North America Production	Down 3%	Up 2%
Big Three Production	Down 7%	About Flat
Sales Backlog	≈ 40%	≈ 60%
Net Commodity Cost Impact	2/3 of Full Year	1/3 of Full Year

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

Strategic Direction and Outlook

Strategic Direction

- ▶▶ Streamline organizational structure and reposition business for improved long-term profitability
- ▶▶ Accelerate growth in low-cost manufacturing and engineering locations
- ▶▶ Evaluate present product portfolio to maximize long-term returns
 - Deemphasize lower-margin, non-core businesses
 - Assess strategically important acquisitions

***Reviewing Global Business To Best Position
Lear For Long-Term Profitable Growth***

Long-Term Outlook Remains Positive for Lear*



- ▶▶ Near-term financial results severely depressed reflecting transitional volume and cost factors; expected to improve in second half of 2005 and going forward
- ▶▶ Lear has a very strong three-year sales backlog of \$3.8 billion
- ▶▶ Lear's platform mix to improve in 2006 with full-year benefit of major 2005 launches and introduction of GMT900
- ▶▶ Strong and flexible overall financial position

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



LEAR[®]
CORPORATION

ADVANCE RELENTLESSLY™

LEA
Listed
NYSE

▶▶ www.lear.com

Use of Non-GAAP Financial Information

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP") included throughout this presentation, the Company has provided information regarding "income before interest, other expense and income taxes" (core operating earnings) and "free cash flow" (non-GAAP financial measures.) 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 expense and income taxes is a useful measure 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 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 measures for planning and forecasting in future periods.

Neither income before interest, other expense and income taxes nor free cash flow should be considered in isolation or as substitutes for net income, net 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 thus, 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.

Use of Non-GAAP Financial Information

Core Operating Earnings



(in millions)	Three Months	
	Q1 2005	Q1 2004
<u>Income before interest, other expense and income taxes</u>		
Income (loss) before income taxes	\$ (2.9)	\$ 126.0
Interest expense	44.8	39.1
Other expense, net	<u>6.9</u>	<u>14.1</u>
Income before interest, other expense and income taxes (core operating earnings)	<u>\$ 48.8</u>	<u>\$ 179.2</u>

Use of Non-GAAP Financial Information

Free Cash Flow



(in millions)	<u>Three Months</u> <u>Q1 2005</u>
Free cash flow	
Net cash provided by operating activities	\$ 118.5
Net change in sold accounts receivable	<u>-</u>
Net cash provided by operating activities before net change in sold accounts receivable	118.5
Capital expenditures	<u>(129.4)</u>
Free cash flow	<u>\$ (10.9)</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. 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, 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, raw material cost and availability, the Company's ability to mitigate the significant impact of recent increases in raw material prices, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in free cash flow and other risks described from time to time in the Company's Securities and Exchange Commission filings.

This presentation also contains information on the Company's sales backlog. The Company's incremental sales backlog reflects: anticipated net sales from awarded new programs, less net sales from phased-out and cancelled programs. The calculation of backlog does not reflect customer price reductions on existing or newly-awarded programs. The three-year 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 program launches.

In addition, the second-quarter and full-year 2005 per share earnings guidance is based on an assumed 68 million and 73 million shares outstanding, respectively. The full-year assumed shares include 4.8 million shares related to the outstanding contingently convertible debt. The second-quarter assumed shares exclude such shares as they are antidilutive.

The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update them.