

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) **November 6, 2007**

**LEAR CORPORATION**

(Exact name of Registrant as specified in its charter)

**Delaware**

**1-11311**

**13-3386776**

(State or other  
jurisdiction of  
incorporation)

(Commission File Number)

(IRS Employer  
Identification  
Number)

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

**48033**  
(Zip Code)

**(248) 447-1500**

(Registrant's telephone number, including area code)

**N/A**

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

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

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

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Lear Corporation ("Lear" or the "Company") is filing this Form 8-K to (i) furnish information regarding Lear's results of operations for the third quarter of 2007, (ii) update Lear's financial outlook for 2007, (iii) provide Lear's preliminary outlook for 2008 and (iv) supplement Lear's Current Report on Form 8-K initially filed on June 27, 2005, as supplemented on August 30, 2005, January 25, 2006, October 26, 2006, January 11, 2007, January 25, 2007, April 25, 2007 and August 2, 2007, in order to update certain disclosures with respect to Lear's restructuring strategy (the "Restructuring").

FORWARD-LOOKING STATEMENTS

The Current Report on Form 8-K 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, 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, 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 productivity 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, raw material costs and availability, the Company's ability to mitigate the significant impact of 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 and other risks described from time to time in the Company's Securities and Exchange Commission filings.

The forward-looking statements in this Current Report on Form 8-K 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.

## **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 November 6, 2007, Lear Corporation issued a press release reporting its financial results for the third quarter of 2007, updating its financial outlook for 2007 and providing its preliminary outlook for 2008. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On November 6, 2007, Lear Corporation made available the presentation slides attached hereto as Exhibit 99.2 in a webcast of its third quarter 2007 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.

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### **Item 2.05 Costs Associated with Exit or Disposal Activities.**

As part of its previously announced Restructuring, Lear has continued consolidation, facility realignment and census actions. In the first nine months of 2007, these actions resulted in net charges of \$87.9 million, consisting of employee termination costs of \$67.0 million, fixed asset impairment charges of \$12.2 million, contract termination costs of \$(7.0) million (including a net pension and other postretirement benefit plan curtailment gain of \$12.2 million) and other costs of \$15.7 million (including \$8.5 million of estimated manufacturing inefficiency costs resulting from the Restructuring). The severance and other incremental costs represent cash charges, while the asset impairment charges represent non-cash charges. Cash payments related to the Restructuring totaled \$92.8 million in the first nine months of 2007.

Although all aspects of the Restructuring have not been finalized, the Company currently expects to incur total pretax costs of approximately \$325 million through 2007 in connection with the Restructuring, of which \$292.0 million of costs have been incurred through September 29, 2007. Lear continues to estimate that approximately 90% of the restructuring costs will result in cash expenditures.

### **Item 2.06 Material Impairments.**

The information set forth under Item 2.05 relating to impairment charges is incorporated herein by reference.

## **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 November 6, 2007, furnished herewith.

99.2 Presentation slides from the Lear Corporation webcast of its third quarter 2007 earnings call held on November 6, 2007, furnished herewith.

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## **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: November 6, 2007

By: /s/ Matthew J. Simoncini  
Name: Matthew J. Simoncini  
Title: Senior Vice President and  
Chief Financial Officer

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press release issued November 6, 2007, furnished herewith.</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Presentation slides from the Lear Corporation webcast of its third quarter 2007 earnings call held on November 6, 2007, furnished herewith.</u></a>

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**FOR IMMEDIATE RELEASE**

**Investor Relations:**

Mel Stephens  
(248) 447-1624

**Media:**

Andrea Puchalsky  
(248) 447-1651

**Lear Reports Third-Quarter 2007 Financial Results, Updates Full-Year 2007 Outlook  
and Provides Preliminary 2008 Outlook**

**SOUTHFIELD, Mich., November 6, 2007** -- Lear Corporation [NYSE: LEA], one of the world's largest suppliers of automotive seating systems, electrical distribution systems and electronic products, today reported financial results for the third quarter of 2007, updated its outlook for the full year of 2007 and provided a preliminary outlook for 2008.

**Recent Highlights:**

- **Reported net sales of \$3.6 billion and improved pretax income**
- **Achieved positive free cash flow of \$91 million**
- **Delivered core operating earnings of \$170 million, up \$70 million**
- **Continued progress on global restructuring initiative**
- **Awarded new Asian business worth \$245 million annually**

For the third quarter of 2007, Lear reported net sales of \$3.6 billion and pretax income of \$60.1 million, including restructuring costs of \$37.3 million and other special items of \$8.0 million. For the third quarter of 2006, Lear reported net sales of \$4.1 billion and a pretax loss of \$65.9 million, including restructuring costs and other special items of \$46.1 million.

Income before interest, other expense, income taxes, restructuring costs and other special items (core operating earnings) was \$170.4 million for the third quarter of 2007. This compares with net sales of \$3.3 billion and core operating earnings of \$100.1 million, excluding the divested Interior business, for the third quarter of 2006. A reconciliation of core operating earnings to pretax income (loss) as determined by generally accepted accounting principles is provided in the supplemental data pages.

(more)

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“Our financial performance continued to improve in the third quarter as the benefits from on-going operational efficiencies, our global restructuring initiative and new business favorably impacted our bottom line,” said Bob Rossiter, Lear Chairman, CEO and President. “Our focus going forward is to continue to provide superior quality products and services, while we work to further strengthen and profitably grow our core seating, electrical distribution and electronic businesses.”

Net sales in core businesses were up from the prior year, primarily reflecting the addition of new business outside of North America and favorable foreign exchange, offset in part by unfavorable platform mix in North America. Operating performance improved from the year-earlier results, reflecting the Company’s cost improvement actions and restructuring initiative, as well as benefits from new business outside of North America.

In the seating segment, operating margins improved, reflecting favorable cost performance from restructuring and ongoing efficiency actions, selective vertical integration and the benefit of new business globally. In the electrical and electronic segment, operating margins declined, reflecting unfavorable net pricing and the roll-off of several key programs in North America.

Lear reported net income of \$41.0 million, or \$0.52 per share, for the third quarter of 2007. This compares with a net loss of \$74.0 million, or \$1.10 per share, for the third quarter of 2006.

Free cash flow in the third quarter of 2007 was \$90.8 million as compared to negative \$48.2 million in the third quarter of 2006. The improvement reflects primarily the divestiture of the Interior business and an improvement in core operating earnings. (Net cash provided by (used in) operating activities was \$62.0 million in the third quarter of 2007 as compared to \$(8.1) million in the third quarter of 2006. A reconciliation of free cash flow to net cash provided by (used in) operating activities is provided in the supplemental data pages.)

During the third quarter, the Company continued to make solid progress on its global restructuring initiative, primarily further actions related to achieving a lower-cost global footprint. Lear is also aggressively expanding its business in Asia and with Asian automakers globally and, along with its affiliates, was awarded several new Asian programs during the third quarter, totaling about \$245 million annually.

In addition, Lear was recently honored with the Environmental Innovation Award 2007 from the Institute of Transport Management for developing SoyFoam™, an environmentally friendly soybean oil-based, flexible foam material currently in production for the seating program on the 2008 Ford Mustang.

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**Full-Year 2007 Outlook**

Summarized below is the revised 2007 financial outlook for Lear's core businesses. The outlook excludes results for the divested Interior business for the full year. On this basis, Lear expects 2007 net sales of approximately \$15 billion. This is unchanged from the prior outlook. Lear now anticipates 2007 core operating earnings in the range of \$680 million. This is up from the last full-year outlook, reflecting lower production risk and more favorable operating performance.

Restructuring costs in 2007 are estimated to be about \$125 million.

Interest expense is estimated to be approximately \$200 million. Pretax income before restructuring costs and other special items is estimated in the range of \$430 million. Tax expense is expected to be approximately \$135 million, depending on the mix of earnings by country.

Capital spending in 2007 is estimated at approximately \$200 million, down \$35 million from the prior outlook, reflecting primarily program timing and spending efficiencies. Depreciation and amortization expense is estimated at about \$300 million. Free cash flow is expected to be positive at about \$350 million for the year. This is up from the prior outlook, reflecting higher earnings and lower capital spending.

Key assumptions underlying Lear's full-year 2007 financial outlook include expectations for industry vehicle production of approximately 15.0 million units in North America and 19.7 million units in Europe. In addition, we are assuming an exchange rate of \$1.35/Euro.

**Preliminary 2008 Outlook**

Our preliminary financial outlook for 2008 is based on the following key assumptions. We expect industry vehicle production in North America to be generally in-line with our 2007 outlook and in Europe to be up slightly from our 2007 outlook. In North America, we are forecasting moderately unfavorable platform mix, reflecting lower production of high-content full-size pick-up trucks and large SUVs. We also are assuming an exchange rate of \$1.40/Euro.

Based on these assumptions, we forecast 2008 net sales and core operating earnings, excluding restructuring-related costs, roughly in line with our 2007 outlook.

See "Forward-Looking Statements" on page 5 of this press release.

Lear Corporation will hold a conference call to review the Company's third-quarter 2007 financial results and related matters on Tuesday, November 6, 2007, at 9:00 a.m. ET. To participate in the conference call, dial 1-800-789-4751 (domestic)

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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](http://www.lear.com). The audio replay will be available two hours following the call at 1-800-642-1687 for domestic calls and 1-706-645-9291 for international calls. The audio replay will be available until November 20, 2007 (Conference I.D. 15653814).

### **Non-GAAP Financial Information**

In addition to the results reported in accordance with accounting principles generally accepted in the United States (“GAAP”) included throughout this press release, the Company has provided information regarding “income before interest, other expense, income taxes, restructuring costs and other special items, excluding the divested Interior business” (core operating earnings), “pretax income before restructuring costs and other special items” and “free cash flow” (each, a non-GAAP financial measure). Other expense includes, among other things, state and local non-income taxes, foreign exchange gains and losses, fees 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 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 and pretax income before restructuring costs and other special items 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.

Core operating earnings, pretax income before restructuring costs and other special items 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 income statement 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

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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 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>. Given the inherent uncertainty regarding special items, other expense and the net change in sold accounts receivable in any future period, a reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. The magnitude of these items, however, may be significant.

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates or currency exchange rates, the financial condition of the Company's customers or suppliers, 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, 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 productivity 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, raw material costs and availability, the Company's ability to mitigate the significant impact of 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 and other risks described from time to time in the Company's Securities and Exchange Commission filings.

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

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clarify them to reflect events, new information or circumstances occurring after the date hereof.

Lear Corporation is one of the world's largest suppliers of automotive seating systems, electrical distribution systems and electronic products. Lear's world-class products are designed, engineered and manufactured by a diverse team of more than 90,000 employees at 236 facilities in 33 countries. Lear's headquarters are in Southfield, Michigan. 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>.

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

(Unaudited; in millions, except per share amounts)

	Three Months Ended	
	September 29, 2007	September 30, 2006
Net sales	\$ 3,574.6	\$ 4,069.7
Cost of sales	3,307.3	3,882.9
Selling, general and administrative expenses	159.3	158.0
Divestiture of Interior business	(17.1)	28.7
Interest expense	47.5	56.6
Other expense, net	17.5	9.4
	60.1	(65.9)
Income (loss) before income taxes		
Income tax provision	19.1	8.1
	41.0	(74.0)
Net income (loss)	\$	\$
	0.53	(1.10)
Basic net income (loss) per share	\$	\$
	0.52	(1.10)
Diluted net income (loss) per share	\$	\$
	77.0	67.4
Weighted average number of shares outstanding		
Basic	77.0	67.4
	78.4	67.4
Diluted	78.4	67.4

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

(Unaudited; in millions, except per share amounts)

	Nine Months Ended	
	September 29, 2007	September 30, 2006
Net sales	\$ 12,136.0	\$ 13,558.4
Cost of sales	11,220.2	12,868.3
Selling, general and administrative expenses	428.6	493.9
Goodwill impairment charge	—	2.9
Divestiture of Interior business	7.8	28.7
Interest expense	150.3	157.5
Other expense, net	42.8	26.7
Income (loss) before income taxes and cumulative effect of a change in accounting principle	286.3	(19.6)
Income tax provision	71.8	45.8
Income (loss) before cumulative effect of a change in accounting principle	214.5	(65.4)
Cumulative effect of a change in accounting principle	—	2.9
Net income (loss)	\$ 214.5	\$ (62.5)
<b>Basic net income (loss) per share</b>		
Income (loss) before cumulative effect of a change in accounting principle	\$ 2.80	\$ (0.97)
Cumulative effect of a change in accounting principle	—	0.04
Basic net income (loss) per share	\$ 2.80	\$ (0.93)
<b>Diluted net income (loss) per share</b>		
Income (loss) before cumulative effect of a change in accounting principle	\$ 2.74	\$ (0.97)
Cumulative effect of a change in accounting principle	—	0.04
Diluted net income (loss) per share	\$ 2.74	\$ (0.93)
<b>Weighted average number of shares outstanding</b>		
Basic	76.7	67.3
Diluted	78.2	67.3

**Lear Corporation and Subsidiaries**  
**Consolidated Balance Sheets**

(In millions)

	September 29, 2007	December 31, 2006
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 602.0	\$ 502.7
Accounts receivable	2,439.3	2,006.9
Inventories	635.1	581.5
Current assets of business held for sale	—	427.8
Other	329.1	371.4
	4,005.5	3,890.3
<b>Long-Term:</b>		
PP&E, net	1,367.6	1,471.7
Goodwill, net	2,039.0	1,996.7
Other	532.6	491.8
	3,939.2	3,960.2
<b>Total Assets</b>	<b>\$ 7,944.7</b>	<b>\$ 7,850.5</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current:</b>		
Short-term borrowings	\$ 12.2	\$ 39.3
Accounts payable and drafts	2,469.8	2,317.4
Accrued liabilities	1,251.5	1,099.3
Current liabilities of business held for sale	—	405.7
Current portion of long-term debt	103.6	25.6
	3,837.1	3,887.3
<b>Long-Term:</b>		
Long-term debt	2,351.6	2,434.5
Long-term liabilities of business held for sale	—	48.5
Other	823.3	878.2
	3,174.9	3,361.2
<b>Stockholders' Equity</b>	932.7	602.0
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 7,944.7</b>	<b>\$ 7,850.5</b>

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

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

	Three Months Ended	
	September 29, 2007	September 30, 2006
<b>Net Sales</b>		
North America	\$ 1,559.0	\$ 2,244.5
Europe	1,556.9	1,444.1
Rest of World	458.7	381.1
<b>Total</b>	<b>\$ 3,574.6</b>	<b>\$ 4,069.7</b>
<b>Net Sales - Core Businesses</b>		
North America	\$ 1,559.0	\$ 1,661.3
Europe	1,556.9	1,280.1
Rest of World	458.7	374.2
<b>Total</b>	<b>\$ 3,574.6</b>	<b>\$ 3,315.6</b>
<b>Content Per Vehicle *</b>		
North America	\$ 443	\$ 660
North America - core businesses	\$ 443	\$ 489
Europe	\$ 359	\$ 338
Europe - core businesses	\$ 359	\$ 300
<b>Free Cash Flow **</b>		
Net cash provided by (used in) operating activities	\$ 62.0	\$ (8.1)
Net change in sold accounts receivable	74.6	43.7
Net cash provided by operating activities <u>before</u> net change in sold accounts receivable	136.6	35.6
Capital expenditures	(45.8)	(83.8)
<b>Free cash flow</b>	<b>\$ 90.8</b>	<b>\$ (48.2)</b>
<b>Depreciation and Amortization</b>	<b>\$ 70.7</b>	<b>\$ 98.1</b>
<b>Core Operating Earnings **</b>		
Pretax income (loss)	\$ 60.1	\$ (65.9)
Interest expense	47.5	56.6
Other expense, net	17.5	9.4
Restructuring costs and other special items -		
Divestiture of Interior business	(17.1)	28.7
Costs related to restructuring actions	37.3	17.4
Costs related to merger transaction	25.1	—
Less: Interior business	—	53.9
<b>Core operating earnings</b>	<b>\$ 170.4</b>	<b>\$ 100.1</b>

\* Content Per Vehicle for 2006 has been updated to reflect actual production levels.

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

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

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

	Nine Months Ended	
	September 29, 2007	September 30, 2006
<b>Net Sales</b>		
North America	\$ 5,694.0	\$ 7,600.8
Europe	5,114.1	4,834.4
Rest of World	1,327.9	1,123.2
<b>Total</b>	<b>\$ 12,136.0</b>	<b>\$ 13,558.4</b>
<b>Net Sales - Core Businesses</b>		
North America	\$ 5,082.0	\$ 5,624.3
Europe	5,046.1	4,255.6
Rest of World	1,319.0	1,099.3
<b>Total</b>	<b>\$ 11,447.1</b>	<b>\$ 10,979.2</b>
<b>Content Per Vehicle *</b>		
North America	\$ 501	\$ 653
North America - core businesses	\$ 447	\$ 483
Europe	\$ 347	\$ 333
Europe - core businesses	\$ 342	\$ 293
<b>Free Cash Flow **</b>		
Net cash provided by operating activities	\$ 309.5	\$ 106.1
Net change in sold accounts receivable	67.3	23.7
Net cash provided by operating activities <u>before</u> net change in sold accounts receivable	376.8	129.8
Capital expenditures	(114.1)	(268.5)
<b>Free cash flow</b>	<b>\$ 262.7</b>	<b>\$ (138.7)</b>
<b>Depreciation and Amortization</b>	<b>\$ 220.9</b>	<b>\$ 299.4</b>
<b>Basic Shares Outstanding at end of quarter</b>	<b>77,093,489</b>	<b>67,373,554</b>
<b>Diluted Shares Outstanding at end of quarter ***</b>	<b>78,502,234</b>	<b>67,373,554</b>
<b>Core Operating Earnings **</b>		
Pretax income (loss)	\$ 286.3	\$ (19.6)
Interest expense	150.3	157.5
Other expense, net	38.9****	58.0****
Restructuring costs and other special items -		
Costs related to divestiture of Interior business	17.8	28.7
Fixed asset impairment charges related to Interior business	—	9.2
Goodwill impairment charge related to Interior business	—	2.9
Costs related to restructuring actions	87.9	57.2
U.S. salaried pension plan curtailment gain	(36.4)	—
Costs related to merger transaction	36.8	—
(Gain) loss on joint venture transactions	3.9	(26.9)
Less: Interior business	(15.6)	129.7
<b>Core operating earnings</b>	<b>\$ 569.9</b>	<b>\$ 396.7</b>

\* Content Per Vehicle for 2006 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 2007 and 2006 other expense, net of \$42.8 million and \$26.7 million, respectively, include

(gains) losses of \$3.9 million and (\$31.3) million, respectively, related to restructuring costs and other special items detailed above.

Exhibit 99.2

*advance relentlessly*®

# ***Third-Quarter 2007 Results and Financial Outlook***

***November 6, 2007***





## Agenda

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### ▶▶ **Company Overview**

- *Bob Rossiter, Chairman, CEO and President*

### ▶▶ **Business Conditions**

- *Jim Vandenberghe, Vice Chairman*

### ▶▶ **Third-Quarter 2007 Results and Outlook**

- *Matt Simoncini, Chief Financial Officer*

### ▶▶ **Q and A Session**

# Company Overview

## Company Overview

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- ▶▶ Lear has implemented a number of significant actions to improve shareholder value
- ▶▶ Despite challenging business conditions, we are continuing to improve our financial results
- ▶▶ Seating business performing well; electrical and electronic business needs further improvement
- ▶▶ Aggressively growing in Asia and with Asian manufacturers globally
- ▶▶ Priority focus on delivering superior quality and customer service continues

## Actions to Improve Shareholder Value\*

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- ▶▶ Implementing global restructuring initiative
- ▶▶ Refinanced 2007-2009 debt maturities
- ▶▶ Divested Interior business; retained minority interest in IAC joint ventures
- ▶▶ Revitalized strategic focus on “growth”

***Strategic Actions To Improve Shareholder Value Have Improved Financial Results, Increased Financial Flexibility And Enhanced Future Competitiveness***

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

## Market Environment

- ▶▶ Lear has a strong competitive position globally
- ▶▶ Business performing well today

## Core Strategies

- ▶▶ Leverage global leadership in systems integration
- ▶▶ Achieve lowest cost global footprint
- ▶▶ Expand capabilities in value-added components
- ▶▶ Further sales growth and diversification

## Business Outlook

- ▶▶ Core strategies support a leading competitive position globally

## Market Environment

- ▶▶ Fierce global competition is depressing margins
- ▶▶ Increasing consumer demand for electrical content in vehicles (i.e., safety-related features, infotainment and power equipment )

## Core Strategies

- ▶▶ Further develop system integration capabilities
- ▶▶ Achieve lowest cost global footprint
- ▶▶ Capitalize on emerging technologies in power distribution and growth in value-added electronic products

## Business Outlook

- ▶▶ Margin pressure as industry restructures and consolidates
- ▶▶ Significant new business coming on line over next few years
- ▶▶ Solid future opportunity by strengthening global position in power distribution and growing electronic business

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

## Update on IAC Joint Ventures

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- ▶▶ IAC provides opportunity for future success of Interior business
- ▶▶ Industry consolidation, restructuring and business integration in this segment is on-track
- ▶▶ Lear positioned to participate in improving business fundamentals












### **IAC-Europe**

- ▶▶ Annual sales of over \$1 billion
- ▶▶ Lear holds a 34% minority interest in IAC-Europe

### **IAC-North America**

- ▶▶ Recently completed acquisition of Collins & Aikman's (C&A) soft trim business
- ▶▶ Annual sales now total about \$3 billion
- ▶▶ Lear settled contingent liabilities and invested an additional \$32 million for its share of the C&A acquisition
- ▶▶ Lear now holds a 19% minority interest in IAC-NA

## New Asian Program Awards in Third Quarter\*\*

Automaker	Market	Lear Content	Future Vehicle Program(s)	SOP
	China	Seats	W2/X7	2009/2011
	Thai/S.Afr.	Wire Harnesses	T6 Ranger	2010/2011
	China/India	Seats	M300/T300	2009/2010
	China	Seats	W204/C Class	January 2008
	Australia	Seat Trim/Map Pocket	Orion/Territory	November 2007
	Thai/S.Afr.	Junction Box	T6 Ranger	2010/2011
	China	Seats	CM9/V101	October 2007
	India	Wire Harnesses	M300	February 2010
	Global	Wire Harnesses	Dualis	December 2007
	China	Wire Harnesses	Cummins Diesel	January 2009
	China	TPMS	B12/B21/B22/B23	2008/2009

### *New Asian Business Awarded In Third Quarter Worth About \$245 Million Annually\**

\* Includes consolidated and non-consolidated sales.

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



# Major Customer Awards and Industry Recognition

## Customer Awards



*"Supplier of the Year" for global Seating Systems*



**3 World Excellence Awards--**

- "Gold Award" at Genk, Belgium seating plant
- "Silver Award" and "Recognition of Achievement for consumer-driven Six-Sigma" at St. Thomas, Ontario Canada seating plant



*"Superior Supplier Diversity" and  
"Excellence in Quality" at Edinburg, Indiana*



*"Outstanding Performance – Quality and Delivery"  
at East London, South Africa*



*"Excellence in Performance" for Wire Harnesses*



*"Outstanding Supplier Performance Award" at Boeblingen, Germany*



*"Value Analysis / Value Engineering Performance Award" and  
"Value Analysis Award" for most cost saving ideas generated*



*"Supplier Award for Successful Partnership" in Brazil*



*"Supplier of the Year" at Liuzhou, China*

## Industry Recognition



*"...Most Impressive Stereo Sound in the World"  
(from March 2007 review of Lear's premium sound system in the BMW M5)*



*Environmental Innovation Award 2007 for SoyFoam™  
(Institute for Transport Management)*

# Business Conditions

## Present Business Environment

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### **Macro Economic Factors**

- ▶▶ Positives: U.S. interest rates and key commodity prices moderating
- ▶▶ Risks: consumer credit, weak housing sector and high oil prices
- ▶▶ Volatile capital markets

### **Industry Production**

- ▶▶ Relatively stable in North America and Europe
- ▶▶ Full-size pick-up trucks and large SUVs down from 2004 peak
- ▶▶ Continued growth and business development in key Asian markets

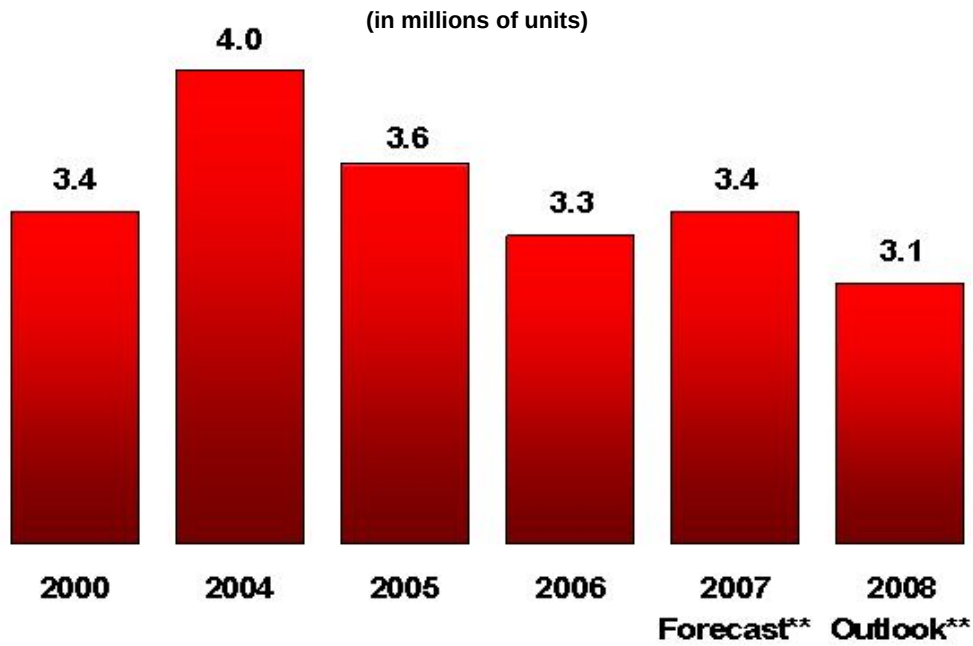
### **Industry Developments**

- ▶▶ Supplier consolidation and restructuring continues
- ▶▶ New pattern UAW labor agreement in place

## Lower Production Of Full-Size Pick-Ups And Large SUVs In North America Since 2004 Peak\*



### Production of Full-Size Pick-Ups and Large SUVs in North America

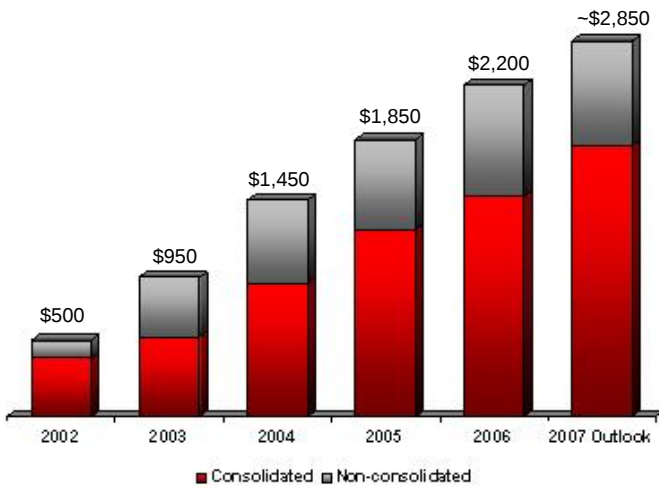


\* Please see slide titled "Forward-Looking Statements" at the end of this presentation for further information.  
\*\* 2007 Forecast and 2008 Outlook reflects CSM Worldwide forecast/outlook.

# Aggressively Growing Total Asian Sales<sup>\*\*\*</sup>

## Total Asian Sales -- Core Businesses <sup>\*\*</sup>

(\$ in millions)



### 2007 Highlights

#### ▶ Significant market position in China:

- Total sales > \$700 million\*
- Supply 20+ OEMs on > 100 vehicle programs
- 19 manufacturing facilities with approximately 6,000 employees
- Lear's fastest growing market

#### ▶ 11 new facilities in China and India supporting Ford, Mazda, Chery, Tata, M&M, BMW and Hyundai

\* Includes consolidated and non-consolidated sales.

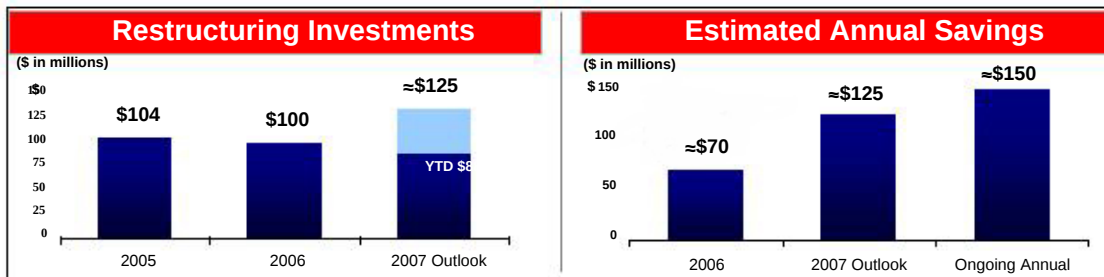
## Targeting Continued Asian Growth

\*\* Includes sales in Asia and with Asian manufacturers globally.

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

# Restructuring Plan Update

- ▶ **Objectives:** eliminate excess capacity, improve operating efficiency in response to structural changes within the industry and accelerate our move to low-cost countries.
- ▶ **Present Status:** closure of 17 manufacturing facilities, numerous consolidations of administrative centers and technical locations, reduced global headcount by over 5% and increased sourcing and engineering in low-cost countries.
- ▶ **Investment:** implementing a \$300 million overall restructuring plan. We now expect to invest an additional \$25 million this year, bringing the total to about \$325 million.
- ▶ **Savings:** estimated savings for 2007 and ongoing increased to reflect additional investment and improved payback.



## New Pattern UAW Labor Agreement

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- ▶▶ New pattern UAW contract reached without a major production disruption
- ▶▶ Major contract provisions significantly improve automaker competitiveness and preserve union benefits
- ▶▶ Agreements include an innovative VEBA trust for retiree health care liability, a second-tier wage and benefit structure and restrictions on further outsourcing
- ▶▶ We intend to maintain a fully-competitive wage and benefit structure going forward
- ▶▶ We do not see a fundamental change in the overall sourcing patterns for our core seating, electrical distribution and electronic products

# **Third-Quarter 2007 Results and Outlook**



## Financial Summary\*

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- ▶▶ Third-Quarter special items include:
  - Costs related to restructuring actions
  - Costs related to AREP merger transaction
  - Settlement of transaction-related items from divestiture of Interior business
  
- ▶▶ Third-Quarter core operating earnings were \$170 million, up \$70 million from a year ago, reflecting:
  - Favorable cost performance and operating efficiencies
  - Net savings from restructuring initiative
  - Benefit of new business outside of North America
  
- ▶▶ Full-Year outlook increased to reflect lower production risk and more favorable operating performance:
  - Core operating earnings increased to \$680 million range
  - Free cash flow now expected in the \$350 million range

\* Core operating earnings represent income before interest, other expense, income taxes, restructuring costs and other special items, excluding the divested Interior business. Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. Please see slides titled "Non-GAAP Financial Information" and "Forward Looking Statements" at the end of this presentation for further information.

# Third Quarter 2007 Industry Environment



	<u>Third Quarter 2007</u>	<u>Third Quarter 2007 vs. 2006</u>
<b>North American Production</b>		
Industry	3.5 mil	Up 4%
Big Three	2.2 mil	Up 1%
Lear's Top 15 Platforms	1.1 mil	Down 1%
<b>European Production</b>		
Industry	4.3 mil	Up 2%
Lear's Top 5 Customers	2.2 mil	Up 2%
<b>Key Commodities (Quarterly Average)</b>		
	<u>vs. Prior Quarter</u>	
Steel (Hot Rolled)	Down 6%	Down 15%
Crude Oil	Up 16%	Up 7%
Copper	Flat	Down 1%

# Third Quarter 2007 Reported Financial Results



(in millions, except net income per share)

	<i>Third Quarter 2007</i>	<i>Third Quarter 2006</i>	<i>3Q '07 B/(W) 3Q '06</i>
<b>Net Sales</b>	\$3,574.6	\$4,069.7	(\$495.1)
<b>Income Before Interest, Other Expense and Income Taxes*</b>	\$108.0	\$28.8	\$79.2
<b>Pretax Income (Loss)</b>	\$60.1	(\$65.9)	\$126.0
<b>Net Income (Loss)</b>	\$41.0	(\$74.0)	\$115.0
<b>Net Income (Loss) Per Share</b>	\$0.52	(\$1.10)	\$1.62
<b>SG&amp;A % of Net Sales</b>	4.5 %	3.9 %	(0.6) pts.
<b>Interest Expense</b>	\$47.5	\$56.6	\$9.1
<b>Depreciation / Amortization</b>	\$70.7	\$98.1	\$27.4
<b>Other Expense, Net</b>	\$17.5	\$9.4	(\$8.1)

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

# Third Quarter 2007 Restructuring Costs and Other Special Items\*



(in millions)

	<u>Third Quarter</u> <i>Income Before Interest, Other Expense and Income Taxes</i>
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## Reported Results

<b>2007 Total Company</b>	<b>\$ 108.0</b>
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## Reported Results Include the Following Items:

Costs related to restructuring actions \$ 37.3

Costs related to merger transaction 25.1

<b>2007 Core Operating Earnings</b>	<b>\$ 170.4</b>
<b>2006 Core Operating Earnings</b>	<b>\$ 100.1</b>

### Income Statement Category

	COGS	SG&A
	\$ 35.3	\$ 2.0
	-	25.1

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

## Third Quarter 2007 Net Sales Changes and Margin Impact Versus Prior Year



Performance Factor	Net Sales Change <small>(in millions)</small>	Margin Impact	Comments
<b>Industry Production / Platform Mix / Net Pricing</b>	\$ (64)	Negative	Primarily industry pricing and unfavorable platform mix in North America offset in part by favorable industry production
<b>Global New Business</b>	174	Positive	Mainly seating programs outside North America
<b>F/X Translation</b>	149	Neutral	Euro up 8%, Canadian dollar up 7%
<b>Acquisition / Divestiture</b>	(754)	Positive	Divestiture of Interior business
<b>Performance</b>		Positive	Favorable operating performance in core businesses, including benefits from restructuring actions and efficiency actions

# Third Quarter 2007 Business Segment Results\*\*\*



(\$ in millions)

	Third Quarter			
	2007		2006	
		Margin		Margin
<b>Seating</b>				
Net Sales	\$ 2,881.4		\$ 2,633.0	
Reported Segment Earnings*	\$ 181.2	6.3%	\$ 125.6	4.8%
Adjusted Earnings**	\$ 200.7	7.0%	\$ 133.4	5.1%
<b>Electrical and Electronic</b>				
Net Sales	\$ 693.2		\$ 682.6	
Reported Segment Earnings*	\$ 4.0	0.6%	\$ 16.4	2.4%
Adjusted Earnings**	\$ 13.8	2.0%	\$ 23.5	3.4%
<b>Headquarters Costs</b>				
Reported Segment Earnings*	\$ (77.2)		\$ (57.4)	
Adjusted Earnings**	\$ (44.1)		\$ (56.8)	
<b>Core Business</b>				
Net Sales	\$ 3,574.6		\$ 3,315.6	
Reported Earnings*	\$ 108.0	3.0%	\$ 84.6	2.6%
Adjusted Earnings**	\$ 170.4	4.8%	\$ 100.1	3.0%
<b>Total Company</b>				
Net Sales	\$ 3,574.6		\$ 4,069.7	
Reported Earnings*	\$ 108.0	3.0%	\$ 28.8	0.7%
Adjusted Earnings**	\$ 170.4	4.8%	\$ 46.2	1.1%

\* Reported segment earnings represent income (loss) before interest, other expense and income taxes.

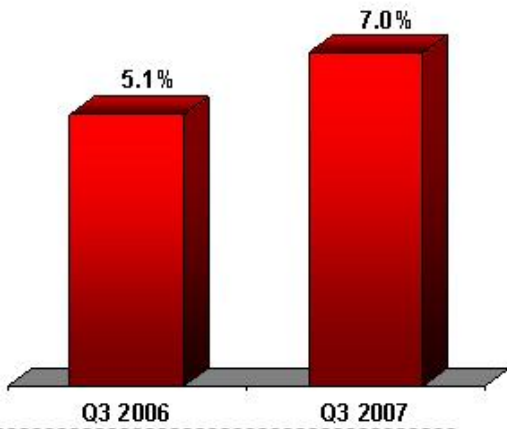
\*\* Adjusted earnings and margin exclude restructuring costs and other special items as follows – in the third quarter of 2007, adjustments for seating - \$19.5M, electrical and electronic - \$9.8M, HQ - \$33.1M and core business and total company - \$62.4M and in the third quarter of 2006, adjustments for seating - \$7.8M, electrical and electronic - \$7.1M, HQ - \$0.6M, core business - \$15.5M and total company - \$17.4M.

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

# Third Quarter 2007 Seating Segment Performance\*



## Adjusted Seating Margin



## Explanation of Year-to-Year Change

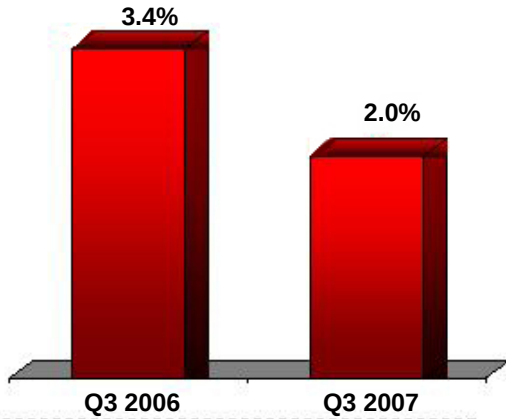
- + Favorable cost performance from restructuring
- + On-going efficiency actions
- + Margin improvement actions, including selective vertical integration
- + Benefit of new business, primarily outside of North America

Adj. Seg. Earnings (in millions)	Q3 2006	Q3 2007
	\$133.4	\$200.7

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

## Electrical and Electronic Segment Performance\*

### Adjusted Electrical and Electronic Margin



Adj. Seg. Earnings (in millions)	Q3 2006	Q3 2007
	\$23.5	\$13.8

### Explanation of Year-to-Year Change

- Unfavorable net pricing
- Roll-off of several large programs in North America
- + Slightly lower copper prices and favorable prior period recovery

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



# Third Quarter 2007

## Free Cash Flow\*



(in millions)

	<u>Third Quarter 2007</u>	<u>Nine Months 2007</u>
Net Income	\$ 41.0	\$ 214.5
Depreciation / Amortization	70.7	220.9
Working Capital / Other	24.9	(58.6)
<b>Cash from Operations</b>	<b>\$ 136.6</b>	<b>\$ 376.8</b>
Capital Expenditures	(45.8)	(114.1)
<b>Free Cash Flow</b>	<b>\$ 90.8</b>	<b>\$ 262.7</b>

\* Free Cash Flow represents net cash provided by operating activities (\$62.0 million for the three months and \$309.5 million for the nine months ended 9/29/07) before net change in sold accounts receivable (\$74.6 million for the three months and \$67.3 million for the nine months ended 09/29/07) (Cash from Operations), less capital expenditures. Please see slides titled "Non-GAAP Financial Information" at the end of this presentation for further information.

**Full-Year Production Assumptions\***

	<u>Full-Year 2007 Outlook</u>	<u>Change from Prior Year</u>
<b>North American Production</b>		
Total Industry	≈ 15.0 mil	down 2%
Big Three	≈ 9.4 mil	down 6%
Lear's Top 15 Platforms	≈ 4.5 mil	down 8%
<b>European Production</b>		
Total Industry	≈ 19.7 mil	up 3%
Lear's Top 5 Customers	≈10.1 mil	up 3%
Euro	\$1.35 / Euro	up 8%

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

## Full-Year Financial Forecast\*

	<b>2007 Full-Year Financial Forecast for Core Businesses</b>
<b><u>Net Sales</u></b>	≈ \$15 billion
<b><u>Core Operating Earnings</u></b>	≈ \$680 million
Income before interest, other expense, income taxes, restructuring costs and other special items	
<b><u>Interest Expense</u></b>	≈ \$200 million
<b><u>Pretax Income</u></b>	≈ \$430 million
before restructuring costs and other special items	
<b><u>Estimated Tax Expense</u></b>	≈ \$135 million **
<b><u>Pretax Restructuring Costs</u></b>	≈ \$125 million
<b><u>Capital Spending</u></b>	≈ \$200 million
<b><u>Depreciation and Amortization</u></b>	≈ \$300 million
<b><u>Free Cash Flow</u></b>	≈ \$350 million

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

\*\* Subject to actual mix of earnings by country.

## Preliminary 2008 Outlook\*

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### Industry Production

- ▶ North America
- ▶ Europe

### Preliminary 2008 Assessment

- Generally in-line with 2007 outlook
- Up slightly from 2007 outlook

### Lear Factors

- ▶ Sales Backlog
  - About \$300 million
- ▶ N.A. Platform Mix
  - Negative, reflecting lower production of full-size pick-up trucks and large SUVs

### Selected 2008 Financial Metrics

- ▶ Net Sales
  - About flat with 2007 outlook
- ▶ Core Operating Earnings (excluding restructuring-related costs)
  - Generally in-line with 2007 outlook

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

## Summary and Outlook\*

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- ▶▶ **Lear is financially sound**
  - Nine months financial results show solid improvement
  - Full-year 2007 earnings and cash flow forecast increased
  
- ▶▶ **Making progress on strategic priorities**
  - Completed divestiture of Interior business
  - Expanding in Asia and growing Asian sales globally
  - Implementing global restructuring initiative
  - Actively evaluating options to strengthen and grow our Electrical and Electronic business
  
- ▶▶ **Preliminary 2008 financial outlook in-line with 2007**
  - Despite lower forecast production for full-size pick-ups and large SUVs in North America
  
- ▶▶ **Longer-term outlook for Lear continues to be positive**

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



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## Non-GAAP Financial Information

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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," "income before interest, other expense, income taxes, restructuring costs and other special items, excluding the divested Interior business" (core operating earnings), "pretax income before restructuring costs and other special items" and "free cash flow" (each, a non-GAAP financial measure). Other expense includes, among other things, state and local non-income taxes, foreign exchange gains and losses, fees 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 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 before interest, other expense and income taxes, core operating earnings and pretax income before restructuring costs and other special items 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 before interest, other expense and income taxes, core operating earnings, pretax income before restructuring costs and other special items and free cash flow should not be considered in isolation or as a substitute for pretax income (loss), net income (loss), cash provided by operating activities or other income statement 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. Given the inherent uncertainty regarding special items, other expense and the net change in sold accounts receivable in any future period, a reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. The magnitude of these items, however, may be significant.

## Non-GAAP Financial Information

### Core Operating Earnings



(in millions)	Three Months	
	Q3 2007	Q3 2006
Pretax income (loss)	\$ 60.1	\$ (65.9)
Divestiture of Interior business	(17.1)	28.7
Interest expense	47.5	56.6
Other expense, net *	17.5	9.4
<b>Income before interest, other expense and income taxes</b>	<b>\$ 108.0</b>	<b>\$ 28.8</b>
Costs related to restructuring actions	37.3	17.4
Costs related to merger transaction	25.1	-
<b>Income before interest, other expense, income taxes, restructuring costs and other special items</b>	<b>\$ 170.4</b>	<b>\$ 46.2</b>
Less: Interior business	-	53.9
<b>Income before interest, other expense, income taxes, restructuring costs and other special items, excluding the divested Interior business (core operating earnings)</b>	<b>\$ 170.4</b>	<b>\$ 100.1</b>

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



## Non-GAAP Financial Information Segment Earnings Reconciliation



(in millions)	Three Months	
	Q3 2007	Q3 2006
Seating	\$ 181.2	\$ 125.6
Electrical and electronic	4.0	16.4
Interior	-	(55.8)
Segment earnings	185.2	86.2
Corporate and geographic headquarters and elimination of intercompany activity	(77.2)	(57.4)
<b>Income before interest, other expense and income taxes</b>	<b>\$ 108.0</b>	<b>\$ 28.8</b>
Divestiture of Interior business	(17.1)	28.7
Interest expense	47.5	56.6
Other expense, net	17.5	9.4
<b>Pretax income (loss)</b>	<b>\$ 60.1</b>	<b>\$ (65.9)</b>

# Non-GAAP Financial Information

## Adjusted Segment Earnings



(in millions)	Three Months Q3 2007					
	Seating	Electrical and Electronic	HQ/ Other	Core Businesses	Interior	Total Company
Segment earnings	\$ 181.2	\$ 4.0	\$ (77.2)	\$ 108.0	\$ -	\$ 108.0
Costs related to restructuring actions	19.5	9.8	8.0	37.3	-	37.3
Costs related to merger transaction	-	-	25.1	25.1	-	25.1
<b>Adjusted segment earnings</b>	<b>\$ 200.7</b>	<b>\$ 13.8</b>	<b>\$ (44.1)</b>	<b>\$ 170.4</b>	<b>\$ -</b>	<b>\$ 170.4</b>

(in millions)	Three Months Q3 2006					
	Seating	Electrical and Electronic	HQ/ Other	Core Businesses	Interior	Total Company
Segment earnings	\$ 125.6	\$ 16.4	\$ (57.4)	\$ 84.6	\$ (55.8)	\$ 28.8
Costs related to restructuring actions	7.8	7.1	0.6	15.5	1.9	17.4
<b>Adjusted segment earnings</b>	<b>\$ 133.4</b>	<b>\$ 23.5</b>	<b>\$ (56.8)</b>	<b>\$ 100.1</b>	<b>\$ (53.9)</b>	<b>\$ 46.2</b>

## Non-GAAP Financial Information

### Cash from Operations and Free Cash Flow

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(in millions)	Three Months Q3 2007	Nine Months Q3 2007
Net cash provided by operating activities	\$ 62.0	\$ 309.5
Net change in sold accounts receivable	74.6	67.3
<b>Net cash provided by operating activities before net change in sold accounts receivable (cash from operations)</b>	<b>136.6</b>	<b>376.8</b>
Capital expenditures	(45.8)	(114.1)
<b>Free cash flow</b>	<b>\$ 90.8</b>	<b>\$ 262.7</b>

## Forward-Looking Statements

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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, 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, 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 productivity 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, raw material costs and availability, the Company's ability to mitigate the significant impact of 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 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 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 preliminary 2008 sales backlog is based on an exchange rate of \$1.40/per Euro and industry production assumptions: in North America, generally in line with 15.0 million units in 2007; and in Europe, up slightly from 19.7 million units in 2007.

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.