
A world map rendered in a light gray, dotted or pixelated style, centered on the page. The map shows the outlines of all major continents.

Second Quarter 2015 Financial Results

Investor Information

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates," "forecasts" and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All such forward-looking statements contained or incorporated in this presentation or in any other public statements which address operating performance, events or developments that the Company expects or anticipates may occur in the future, including, without limitation, statements related to business opportunities, awarded sales contracts, sales backlog and ongoing commercial arrangements, or statements expressing views about future operating results, are forward-looking statements. Actual results may differ materially from any or all forward-looking statements made by the Company. Important factors, risks and uncertainties that may cause actual results to differ materially from anticipated results include, but are not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates or currency exchange rates; currency controls and the ability to economically hedge currencies; the financial condition and restructuring actions of the Company's customers and suppliers; changes in actual industry vehicle production levels from the Company's current estimates; fluctuations in the production of vehicles or 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 outcome of customer negotiations and the impact of customer-imposed price reductions; the impact and timing of program launch costs and the Company's management of new program launches; the costs, timing and success of restructuring actions; increases in the Company's warranty, product liability or recall costs; risks associated with conducting business in foreign countries; the impact of regulations on the Company's foreign operations; the operational and financial success of the Company's joint ventures; competitive conditions impacting the Company and its key customers and suppliers; disruptions to the Company's information technology systems, including those related to cybersecurity; the cost and availability of raw materials, energy, commodities and product components and the Company's ability to mitigate such costs; the outcome of legal or regulatory proceedings to which the Company is or may become a party; the impact of pending legislation and regulations or changes in existing federal, state, local or foreign laws or regulations; unanticipated changes in cash flow, including the Company's ability to align its vendor payment terms with those of its customers; limitations imposed by the Company's existing indebtedness and the Company's ability to access capital markets on commercially reasonable terms; impairment charges initiated by adverse industry or market developments; the Company's ability to execute its strategic objectives; changes in discount rates and the actual return on pension assets; costs associated with compliance with environmental laws and regulations; developments or assertions by or against the Company relating to intellectual property rights; the Company's ability to utilize its net operating loss, capital loss and tax credit carryforwards; global sovereign fiscal matters and creditworthiness, including potential defaults and the related impacts on economic activity, including the possible effects on credit markets, currency values, monetary unions, international treaties and fiscal policies; and other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and its other Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, commodity prices and the Company's success in implementing its operating strategy.

Information in this presentation relies on assumptions in the Company's sales backlog. The Company's sales backlog reflects anticipated net sales from formally awarded new programs less lost and discontinued programs. The calculation of the sales backlog does not reflect customer price reductions on existing or newly awarded programs. The sales backlog may be impacted by various assumptions embedded in the calculation, including vehicle production levels on new programs, foreign exchange rates and the timing of major program launches.

The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

Non-GAAP Financial Information

This presentation also contains non-GAAP financial information. For additional information regarding the Company's use of non-GAAP financial information, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), please see slides titled "Non-GAAP Financial Information" at the end of this presentation.



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Agenda

- **Second Quarter 2015 Financial Results / 2015 Outlook**
 - *Jeff Vanneste, SVP and CFO*
- **Summary Comments**
 - *Matt Simoncini, President and CEO*
- **Q and A Session**

Second Quarter 2015 Financial Results

Second Quarter 2015 Highlights

- Sales of \$4.6 billion
 - Sales growth of 10% excluding currency impact
 - Organic growth of 6% excluding currency and Eagle Ottawa
- Record core operating earnings of \$337 million, up 23%
- Adjusted earnings per share of \$2.82, up 33%
- Improved margins in both business segments
- Returned \$142 million to shareholders through share repurchases and dividends
- Increasing full year outlook for earnings and free cash flow

Second Quarter 2015 Global Vehicle Production

Units (in millions)	Second Quarter 2015	
	Actual	Change From Prior Year
Europe and Africa	5.5	up 1%
China	5.4	up 2%
North America	4.5	up 2%
Japan	2.0	down 11%
India	0.9	up 6%
Brazil	0.6	down 18%
Global	21.7	flat
<u>Key Currency</u>		
Euro	\$ 1.11 / €	down 19%

Source: IHS Automotive July 2015

Second Quarter 2015 Reported Financials

(\$ in millions, except per share amounts)	<i>Second Quarter</i>		<i>2015 B/(W)</i>
	<i>2014</i>	<i>2015</i>	<i>2014</i>
Net Sales			
North America	\$ 1,742.4	\$ 1,998.9	15 %
Europe and Africa	1,830.7	1,727.8	(6)%
Asia	774.3	789.8	2 %
South America	237.7	118.6	(50)%
Global	\$ 4,585.1	\$ 4,635.1	1 %
Pretax Income Before Equity Income, Interest and Other Expense	\$ 232.8	\$ 285.5	23 %
Pretax Income Before Equity Income	\$ 201.4	\$ 256.3	27 %
Net Income Attributable to Lear	\$ 148.5	\$ 181.9	22 %
Diluted Earnings per Share Attributable to Lear	\$ 1.81	\$ 2.33	29 %
SG&A % of Net Sales	3.0%	3.3%	
Equity Income	\$ (9.2)	\$ (8.5)	\$ (0.7)
Interest Expense	\$ 14.6	\$ 20.5	\$ (5.9)
Other Expense, Net	\$ 16.8	\$ 8.7	\$ 8.1
Depreciation / Amortization	\$ 78.2	\$ 84.9	\$ (6.7)

Second Quarter 2015

Impact of Restructuring and Other Special Items

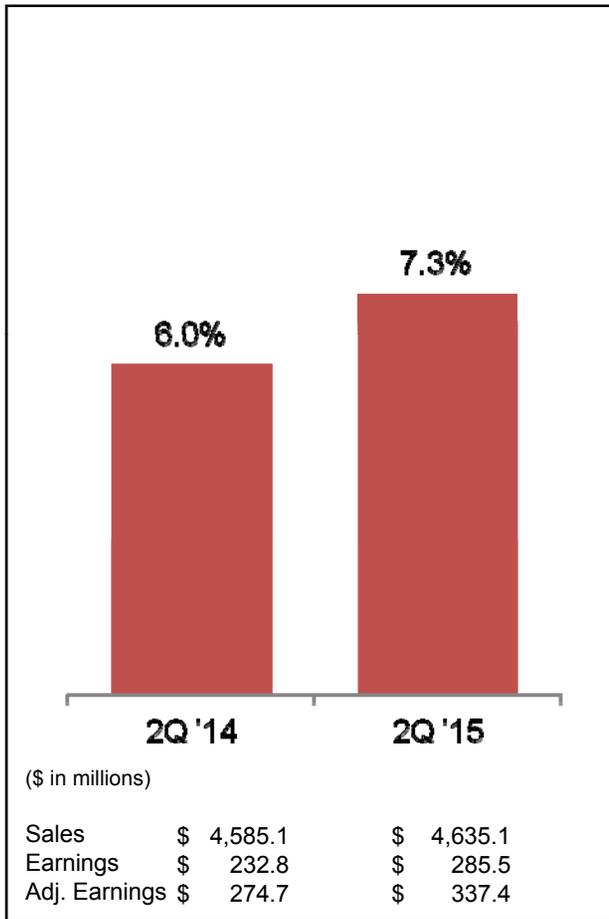
(\$ in millions, except per share amounts)

	Second Quarter 2015			Adjusted	Memo: 2Q 2014 Adjusted
	Reported	Restructuring Costs	Other Special Items		
Pretax Income Before Equity Income, Interest and Other Expense	\$ 285.5	\$ 51.1*	\$ 0.8*	\$ 337.4	\$ 274.7
Equity Income	(8.5)		(1.8)	(10.3)	(9.2)
Pretax Income Before Interest and Other Expense	\$ 294.0			\$ 347.7	\$ 283.9
Interest Expense	20.5			20.5	14.6
Other Expense, Net	8.7			8.7	15.7
Income Before Taxes	\$ 264.8			\$ 318.5	\$ 253.6
Income Taxes	71.9	16.0	(0.2)	87.7	70.7
Net Income	\$ 192.9			\$ 230.8	\$ 182.9
Noncontrolling Interests	11.0			11.0	9.3
Net Income Attributable to Lear	\$ 181.9			\$ 219.8	\$ 173.6
Diluted Earnings per Share	\$ 2.33			\$ 2.82	\$ 2.12

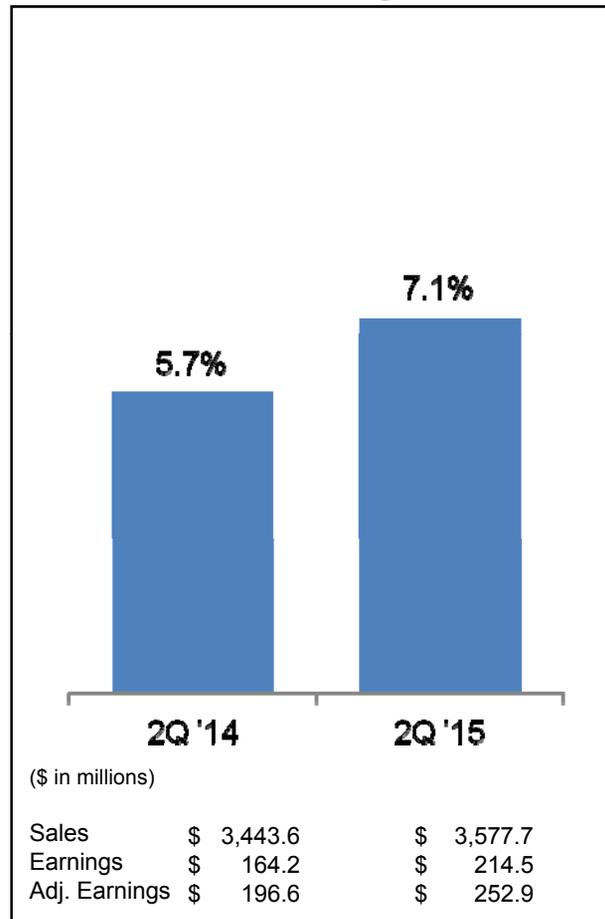
* Restructuring costs include \$40.6 million in COGS and \$10.5 million in SG&A. Other special items include \$0.1 million in COGS and \$0.7 million in SG&A.

Second Quarter 2015 Adjusted Margins

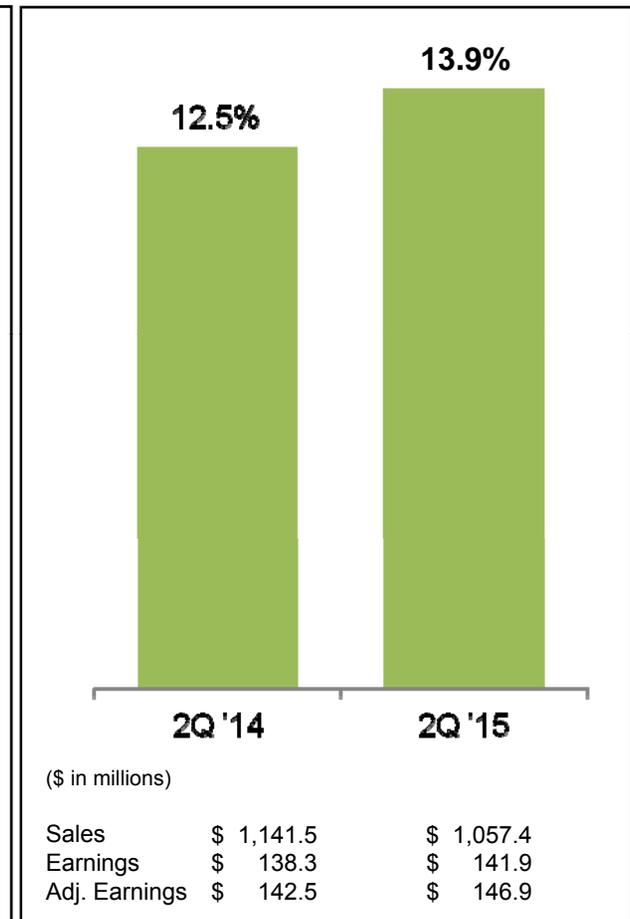
Total Company



Seating



Electrical



Reported earnings represents pretax income before equity income, interest and other expense. Adjusted earnings represents reported earnings adjusted for restructuring costs and other special items.

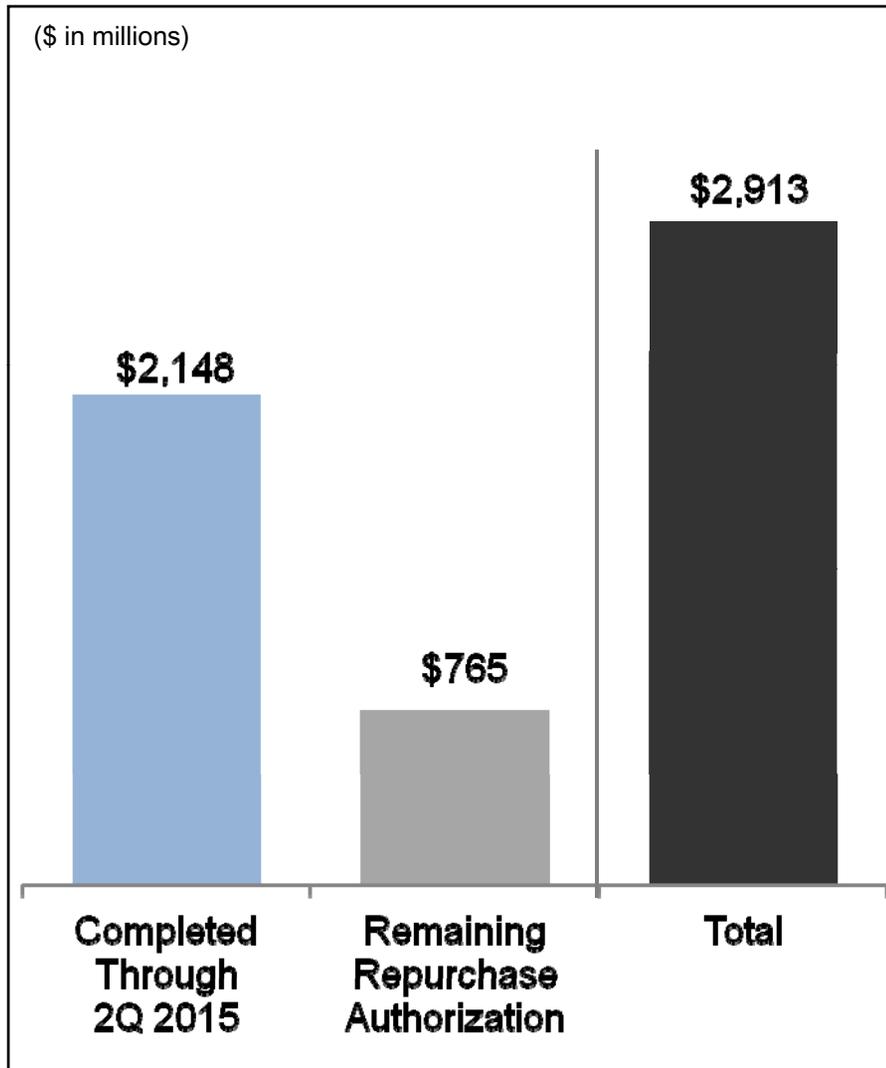
Second Quarter 2015 Free Cash Flow

(\$ in millions)

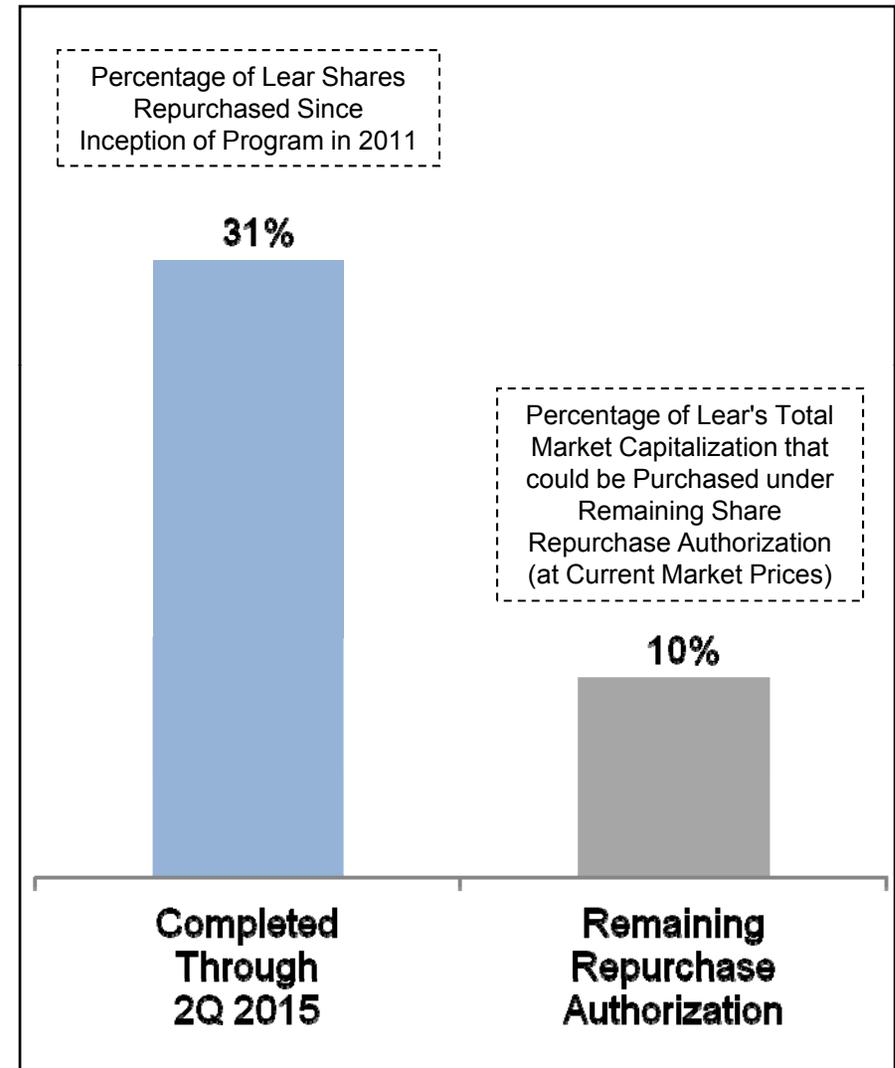
	Second Quarter 2015
Net Income Attributable to Lear	\$ 181.9
Depreciation / Amortization	84.9
Working Capital and Other	207.8
Capital Expenditures	<u>(114.1)</u>
Free Cash Flow	<u><u>\$ 360.5</u></u>

Share Repurchase Summary

Share Repurchases



Percentage of Shares Repurchased



2015 Outlook

2015 Outlook

Vehicle Production and Currency

Units (in millions)

	2014	2015 Outlook	YOY Change	Memo: April Outlook
China	21.3	22.5	up 6%	22.9
Europe and Africa	20.6	21.1	up 2%	20.6
North America	17.0	17.5	up 3%	17.4
Japan	9.0	8.5	down 6%	8.6
India	3.6	3.8	up 6%	3.8
Brazil	3.0	2.5	down 16%	2.7
Global	85.6	87.2	up 2%	87.3

Key Currency

Euro	\$ 1.33 / €	\$ 1.10 / €	down 17%	\$ 1.10 / €
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Vehicle production outlook based on IHS Automotive July 2015 production forecast

2015 Outlook

Financial Summary

	2015
	Financial Outlook
Net Sales	\$18.0 to \$18.5 billion
Core Operating Earnings	\$1.225 to \$1.275 billion
Depreciation and Amortization	≈ \$365 million
Interest Expense	≈ \$90 million
Pretax Income	\$1.13 to \$1.18 billion
before restructuring costs and other special items	
Effective Tax Rate	≈ 30%
excluding restructuring costs and other special items	
Adjusted Net Income Attributable to Lear	\$760 to \$795 million
Restructuring Costs	≈ \$80 million
Capital Spending	≈ \$500 million
Free Cash Flow	≈ \$625 million

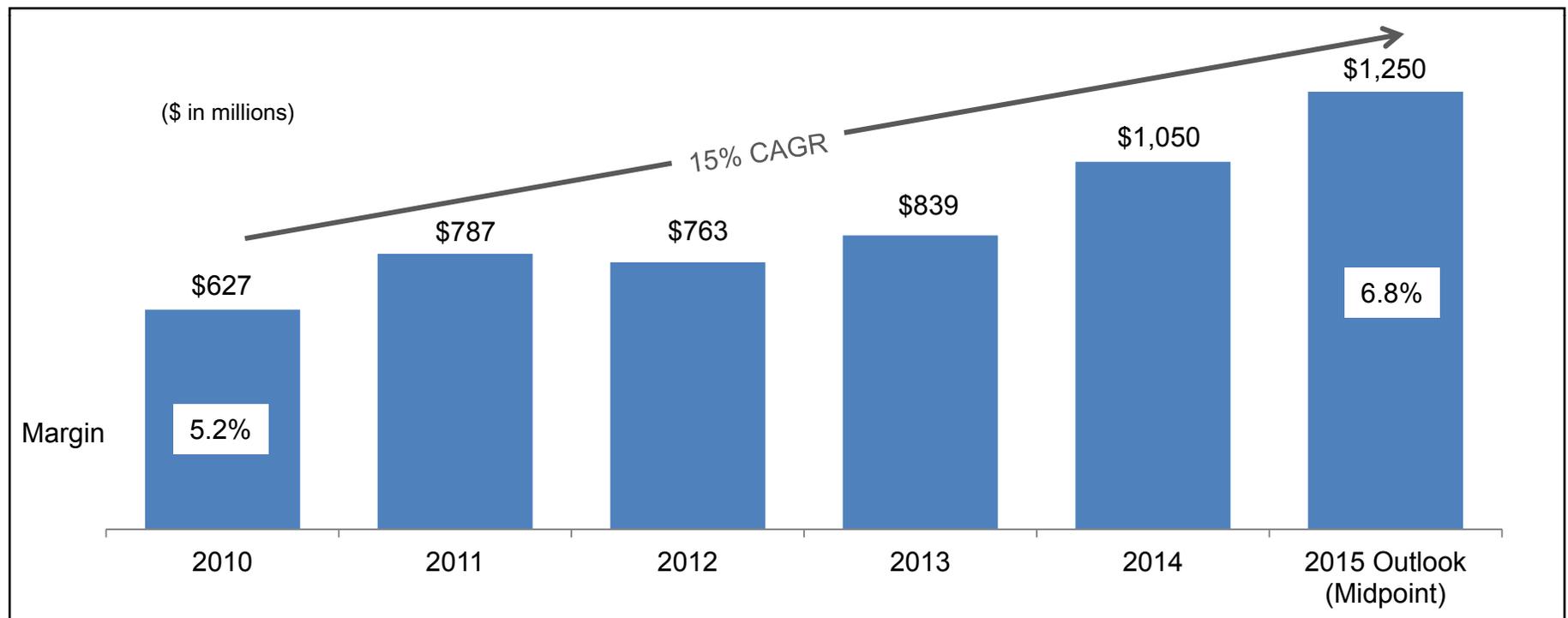
Summary Comments

Investments have Strengthened Core Businesses

- Since 2010, Lear has invested over \$2.0 billion in capital expenditures, including over \$550 million in new component facilities to expand our capabilities and competitive footprint
 - We are the low-cost producer with a modern, efficient and low-cost component footprint in all regions of the world
 - 80% of our component facilities and more than 90% of our related employment are located in 20 low-cost countries
- Continuing to evolve our low-cost footprint with the opening of new facilities in Mexico (seat structures) and Eastern Europe (seat covers, wire harnesses and leather)
- Since 2012, Lear has invested approximately \$1.1 billion to acquire Eagle Ottawa Premium Leather and Guilford Performance Textiles
 - Complements our world class seat trim capabilities and gives us a competitive advantage in design and craftsmanship

Core Operating Earnings Trend

- Our strategy is working
 - Sales and core operating earnings are growing significantly faster than industry vehicle production
 - Earnings growth has accelerated since 2013
- Fully committed to Seating and Electrical businesses
 - Both businesses are at target margins and performing well
 - Committed to investing in and further strengthening both businesses



Summary

- Continued positive momentum in the second quarter, with record core operating earnings
- Seating and Electrical are both growing faster than the industry and performing at target margins
- Investments in the business have strengthened our competitiveness, which is driving market share gains and improving financial results
- Increasing our full year outlook for 2015
- Balanced strategy is delivering superior value to our customers and our shareholders

*Well Positioned To Take Advantage
Of Major Industry Trends*

Non-GAAP Financial Information

In addition to the results reported in accordance with GAAP included throughout this presentation, the Company has provided information regarding “pretax income before equity income, interest and other expense,” “pretax income before equity income, interest, other expense, restructuring costs and other special items” (core operating earnings, adjusted earnings or adjusted segment earnings), “pretax income before restructuring costs and other special items,” “adjusted net income attributable to Lear,” “adjusted diluted net income per share attributable to Lear” (adjusted earnings per share), “tax expense excluding the impact of restructuring costs and other special items” and “free cash flow” (each, a non-GAAP financial measure). Other expense includes, among other things, non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, gains and losses on the extinguishment of debt and gains and losses on the disposal of fixed assets. Adjusted net income and adjusted earnings per share represent net income attributable to Lear and diluted net income per share attributable to Lear, respectively, adjusted for restructuring costs and other special items, including the tax effect thereon. Free cash flow represents net cash used in operating activities, excluding the settlement of accounts payable in conjunction with the acquisition of Eagle Ottawa, less capital expenditures.

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 pretax income before equity income, interest and other expense, core operating earnings, pretax income before restructuring costs and other special items, adjusted net income attributable to Lear, adjusted earnings per share and tax expense excluding the impact of restructuring costs and other special items are useful measures in assessing the Company’s financial performance by excluding certain items that are not indicative of the Company’s core operating performance 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 future periods.

Pretax income before equity income, interest and other expense, core operating earnings, pretax income before restructuring costs and other special items, adjusted net income attributable to Lear, adjusted earnings per share, tax expense excluding the impact of restructuring costs and other special items and free cash flow should not be considered in isolation or as a substitute for pretax income before equity income, net income attributable to Lear, diluted net income per share attributable to Lear, cash 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, therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Set forth on the following slides are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP. Given the inherent uncertainty regarding special items and other expense 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

Pretax income before equity income, interest and other expense

(\$ in millions)	Second Quarter	
	2014	2015
Pretax income before equity income	\$ 201.4	\$ 256.3
Interest expense	14.6	20.5
Other expense, net	16.8	8.7
Pretax income before equity income, interest and other expense	\$ 232.8	\$ 285.5

Non-GAAP Financial Information

Core Operating Earnings

(\$ in millions)	2010	2011	2012	2013	2014	Second Quarter	
						2014	2015
Pretax income before equity income	\$ 448.8	\$ 615.7	\$ 648.9	\$ 610.1	\$ 787.4	\$ 201.4	\$ 256.3
Interest expense	55.4	39.7	49.9	68.4	67.5	14.6	20.5
Other expense, net	34.2	24.2	6.4	58.1	74.3	16.8	8.7
Costs related to restructuring actions	69.0	71.5	55.7	83.8	114.3	43.3	51.1
Costs related to proxy contest	-	-	-	3.0	-	-	-
Acquisition and other related costs	-	-	6.2	-	5.3	-	0.2
Losses and incremental costs (insurance recoveries), net related to the destruction of assets	-	13.3	(14.6)	7.3	-	-	-
Labor-related litigation claims	-	-	-	7.3	-	-	-
Other	19.9	22.1	10.1	1.4	0.8	(1.4)	0.6
Pretax income before equity income, interest, other expense, restructuring costs and other special items (Core operating earnings)	\$ 627.3	\$ 786.5	\$ 762.6	\$ 839.4	\$ 1,049.6	\$ 274.7	\$ 337.4

Non-GAAP Financial Information

Core Operating Earnings and Adjusted Margins

(\$ in millions)	Second Quarter 2014		
	Total	Seating	Electrical
Net sales	\$ 4,585.1	\$ 3,443.6	\$ 1,141.5
Pretax income before equity income, interest and other expense / segment earnings	\$ 232.8	\$ 164.2	\$ 138.3
Costs related to restructuring actions	43.3	32.4	3.8
Other	(1.4)	-	0.4
Core operating earnings / adjusted earnings	\$ 274.7	\$ 196.6	\$ 142.5
Adjusted margins	6.0%	5.7%	12.5%

(\$ in millions)	Second Quarter 2015		
	Total	Seating	Electrical
Net sales	\$ 4,635.1	\$ 3,577.7	\$ 1,057.4
Pretax income before equity income, interest and other expense / segment earnings	\$ 285.5	\$ 214.5	\$ 141.9
Costs related to restructuring actions	51.1	38.3	5.0
Acquisition costs	0.2	-	-
Other	0.6	0.1	-
Core operating earnings / adjusted earnings	\$ 337.4	\$ 252.9	\$ 146.9
Adjusted margins	7.3%	7.1%	13.9%

Non-GAAP Financial Information

Adjusted Net Income and Adjusted EPS

(\$ and shares in millions)	Second Quarter	
	2014	2015
Net income attributable to Lear	\$ 148.5	\$ 181.9
Costs related to restructuring actions	43.3	51.1
Acquisition costs	-	0.2
Loss related to affiliate	1.1	1.8
Other	(1.4)	0.6
Tax impact of special items and other net tax adjustments ¹	(17.9)	(15.8)
Adjusted net income attributable to Lear	\$ 173.6	\$ 219.8
Weighted average number of diluted shares outstanding	81.9	78.1
Adjusted earnings per share	\$ 2.12	\$ 2.82

¹ Represents the tax effect of restructuring costs and other special items, as well as several discrete tax items. The identification of these tax items is judgmental in nature, and their calculation is based on various assumptions and estimates.

Non-GAAP Financial Information

Free Cash Flow

	Second Quarter
	2015
(\$ in millions)	
Net cash used in operating activities	\$ 474.6
Capital expenditures	(114.1)
Free cash flow	\$ 360.5