
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **January 11, 2007**

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, 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/A to (i) amend Lear's Current Report on Form 8-K initially filed on June 27, 2005, as amended on August 30, 2005, January 25, 2006 and October 26, 2006, in order to update certain disclosures with respect to Lear's restructuring strategy (the "Restructuring") and (ii) furnish the slides from the presentation to be made by certain officers of Lear Corporation at the 2007 Auto Analysts of New York Detroit Auto Show Conference on January 11, 2007.

FORWARD-LOOKING STATEMENTS

The Current Report on Form 8-K/A 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, 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 and timing of facility closures, business realignment or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, competitive conditions impacting the Company's key customers and suppliers, raw material costs and availability, the Company's ability to mitigate the significant impact of increases in raw material, energy and commodity costs, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in cash flow, including the Company's ability to align its vendor payment terms with those of its customers, the finalization of the Company's restructuring strategy and other risks described from time to time in the Company's Securities and Exchange Commission filings. In particular, the Company's financial outlook for 2007 is based on several factors, including the Company's current vehicle production and raw material pricing assumptions. The Company's actual financial results could differ materially as a result of significant changes in these factors. In addition, the Company's agreement to contribute its North American interior business to IAC North America is subject to various conditions, including the receipt of required third-party consents, as well as other closing conditions customary for transactions of this type. No assurances can be given that the proposed transaction will be consummated on the terms contemplated or at all.

The forward-looking statements in this Current Report on Form 8-K/A 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 2.05 Costs Associated with Exit or Disposal Activities.

As part of its previously announced Restructuring, Lear incurred costs of approximately \$200 million through the fourth quarter of 2006 and expects to incur additional costs of approximately \$100 million in 2007, bringing total expected restructuring costs to approximately \$300 million. The Restructuring strategy was designed to realign the Company's manufacturing capacity in light of changing market conditions and to allow the Company to capitalize on structural cost reduction opportunities. The additional restructuring costs will include employee severance and asset impairment charges, as well as other incremental costs resulting from the Company's restructuring activities. The severance and other incremental costs represent cash charges, while the asset impairment charges represent non-cash charges.

Lear continues to estimate that approximately 80% of the restructuring costs will result in cash expenditures. Please refer to Exhibit 99.1 for further information regarding the Company's Restructuring strategy.

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.

On January 11, 2007, certain officers of Lear Corporation will make a presentation at the 2007 Auto Analysts of New York Detroit Auto Show Conference. The visual slides from the presentation are attached hereto as Exhibit 99.1 and incorporated by reference herein.

This information 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 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Visual slides from the presentation to be made by certain officers of Lear Corporation at the 2007 Auto Analysts of New York Detroit Auto Show Conference on January 11, 2007, furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lear Corporation

Date: January 11, 2007

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Vice Chairman and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

99.1

Visual slides from the presentation to be made by certain officers of Lear Corporation at the 2007 Auto Analysts of New York Detroit Auto Show Conference on January 11, 2007, furnished herewith.

advance relentlessly®

Auto Analysts of New York Conference

January 11, 2007



- ▶▶ 2006 Accomplishments
 - *Bob Rossiter, Chairman and CEO*
- ▶▶ Operating Priorities
 - *Doug DelGrosso, President and COO*
- ▶▶ 2007 Outlook and Sales Backlog Update
 - *Jim Vandenberghe, Vice Chairman and CFO*



- ▶▶ **Repositioned our product portfolio for future success**
- ▶▶ **Core Dimension™ product and technology strategy**
- ▶▶ **Continued to aggressively grow total Asian sales**
- ▶▶ **Completed refinancing of near-term debt maturities**

*Significantly Strengthened The Company's
Financial Flexibility And Competitive Position*



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Repositioned Our Product Portfolio For Future Success *



Lear's Product Portfolio

2006 Initiatives

Outlook

Core Products

Seating



Electronic and Electrical



Strategic Investment

Interior



- Maintained superior quality levels
- New product-focused organization
- Increased technology focus
- Further diversified sales mix
- Restructuring actions
- Increased low-cost sourcing
- Cost and efficiency improvements

Margins Improve

- Agreements to contribute Lear's operations to IAC joint ventures
- Retained minority interest

Further Global Consolidation;
Improving Financial Results

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

ADVANCE RELENTLESSLY

Core Dimension™ Product And Technology Strategy



| SAFETY SYSTEMS | COMFORT & CONVENIENCE | ENVIRONMENTAL SYSTEMS | CRAFTSMANSHIP | COMMONIZATION | INFOTAINMENT SYSTEMS | FLEXIBILITY |
|--|---|--|---|---|--|-------------|
| <ul style="list-style-type: none"> • ProTec™ PLUS | <ul style="list-style-type: none"> • ComforTec™ • Climate Seat • Pneumatic Seat • Integrated Seat Adjuster Module | <ul style="list-style-type: none"> • EnviroTec™ • SoyFoam™ | <ul style="list-style-type: none"> • Lear Premium Leather • Sculpted Seat Technology • Trim Clip | <ul style="list-style-type: none"> • Lear Flexible Seat Architecture Gen 2 • Quick Connect Seat Assembly • Modular Rear Seat | <ul style="list-style-type: none"> • Cushion Tilt 2nd Row • Remote Release 2nd Row Easy Entry • Thin Profile Folding Rear • SmartFold™ 3rd Row | |
| <ul style="list-style-type: none"> • Adaptive Front Light System • IntelliTire® • Car2U™ Two-Way Remote Keyless Entry • RF Vehicle Immobilizer | <ul style="list-style-type: none"> • RF Passive Entry • Car2U™ Home Automation System • RF CarFinder | <ul style="list-style-type: none"> • Battery Monitoring System • DC/AC Inverters • DC/DC Converters | <ul style="list-style-type: none"> • Ambient Lighting • Flat Flexible Cable | <ul style="list-style-type: none"> • Gateway Module • Passive / Smart Junction Boxes • Solid-State Smart Junction Box Technology • Smart Trailer Tow Module | <ul style="list-style-type: none"> • Premium Audio Amplifier • Family Entertainment System • TV Receiver Analog | |

Seating
 Electronic and Electrical

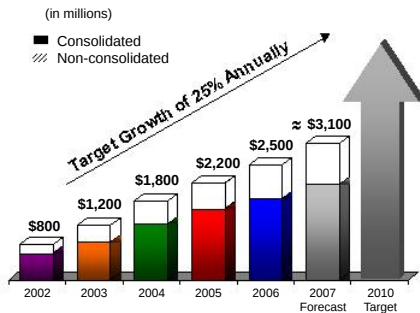
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ADVANCE RELENTLESSLY

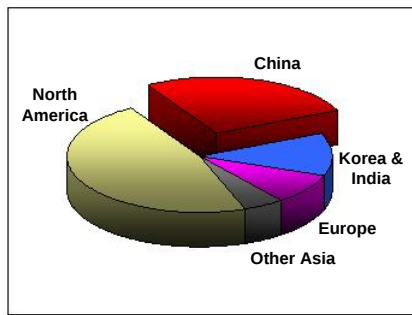
**Continued To Aggressively
Grow Total Asian Sales****



**Revenue in Asia and with
Asian Manufacturers***



**Lear's Targeted
Asian Sales by Major Market**



Rapid Growth In Asian-Related Sales Led By Expanding Relationships With Hyundai, Nissan And Toyota, As Well As Growth In Emerging Markets Such As China

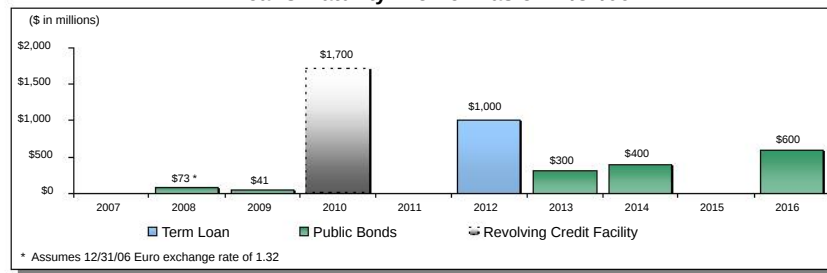
* Total Asian-related sales target includes consolidated and non-consolidated sales.

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

Completed Refinancing Of Near-Term Debt Maturities



Lear's Maturity Profile – as of 12/31/06



- ▶▶ Proven access to capital markets with recent debt and equity issuances
- ▶▶ Liquidity remains strong; \$1.7 billion revolver committed to 2010
- ▶▶ Focused on maintaining a strong and flexible balance sheet

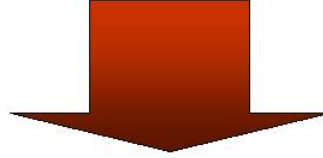
No Significant Debt Maturities Until 2010



Operating Priorities



- ▶▶ World-class quality and customer service
- ▶▶ Lowest cost supplier in Seating and Electrical Distribution
- ▶▶ Increased focus on innovation and new technology
- ▶▶ Continued sales diversification by customer, region and vehicle segment



***Return Business To Historic Levels Of
Operating Margins And Free Cash Flow***

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

Operating Priorities World-Class Quality And Customer Service



"Supplier of the Year for Seating Systems" (Global)



*"Special Recognition for Customer Service" (Global)
"Outstanding Effort in Design Engagement" (Europe)*



"Superior Supplier Diversity and Excellence in Quality" (North America)



"Supplier Award of Excellence" (Sweden)



*"Excellence in Quality and Product Development" (Mexico)
"Best Quality and Among Top Three in Cost Reduction" (Brazil)*



"Zero Defect Award" (Mexico)



"Value Engineering Award for Number of Ideas Submitted" (Japan)



"Best Supplier Award" (Russia)



"Supplier Cost Reduction Award" (Brazil)



"Superior Quality and Delivery" (Mexico)



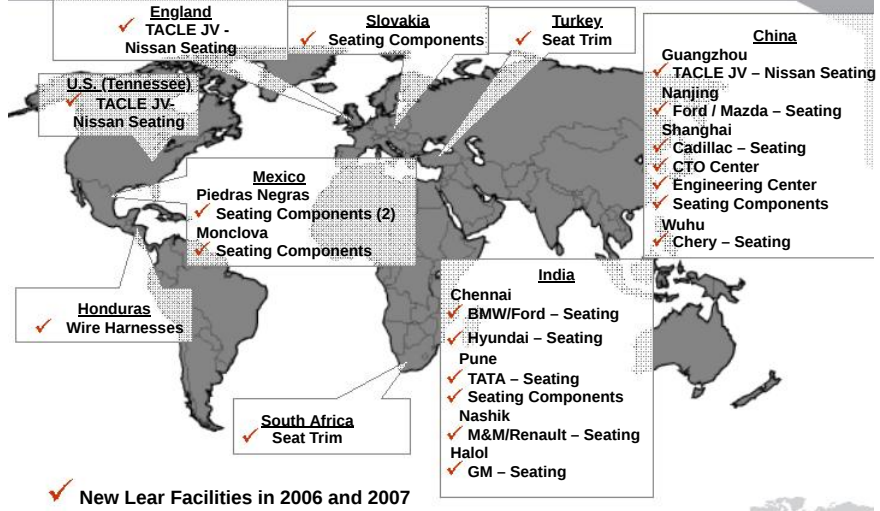
"Best Performance in Product Development" (India)



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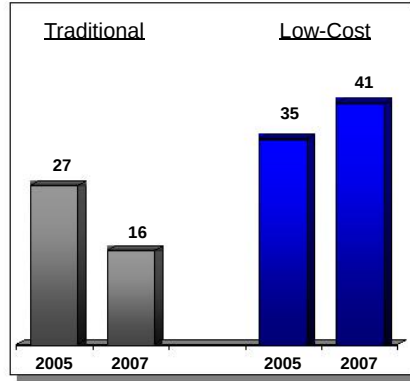
Operating Priorities

Maintaining A Competitive Global Footprint*



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

Number of Component Facilities
Excluding Interior Business



- ▶ Today **30%** of Lear's components come from 20 low-cost countries (LCC), including essentially all wire harnesses and seat trim covers
- ▶ Targeting **45%** content from LCC with future sourcing of headrests and increased portions of seat frames and substructures, as well as selected electronics

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



Chevrolet Silverado



GMC Sierra



Premium Seating (*Craftsmanship*), including Lear's
Flexible Architecture (*Commonization*) and Door Panels



Car2U™ Home Automation
(*Comfort & Convenience*)

North America
Major 2007 Launches -- Premium Vehicle



BMW 3-Series Convertible



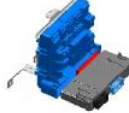
Premium Seating (*Craftsmanship*)



Advanced Front Lighting (*Safety*)



Light Electronics Module (*Commonization*)



Passive Junction Box Module (*Commonization*)



Terminals & Connectors (*Commonization*)

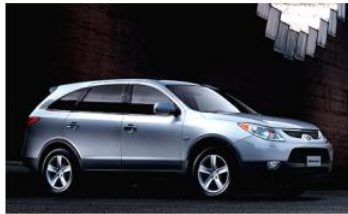


Prefuse Battery Box and Powerfuses (*Commonization*)



Hifi Amplifier (*Infotainment*)





Hyundai Veracruz



IntelliTire® (Safety)



Seating System (*Flexibility*)



North America
Major 2007 Launches -- Crossover Entries



Acura MDX
Wire Harnesses (*Commonization*)



Ford Edge / Lincoln MKX
IntelliTire® (*Safety*)



BMW X5 SAV – Premium Seating (*Craftsmanship*),
Electronics and Family Entertainment System (*Infotainment*)



Ford Escape / Mercury Mariner
Wire Harnesses (*Commonization*)



Honda CR-V – Wire Harnesses (*Commonization*)



Saturn VUE – Seating (*Flexibility*)

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Europe



Audi A4
Seating, Electronics

BMW 3-Series M-Sport

Seating, Electronics

Fiat Bravo

Seating

Ford Mondeo

Seating (first common seat architecture program in Europe)

Jaguar S-Type

Seating, Overhead System

Mercedes C-Class

Seating

Nissan Qashqai

Seating, Electrical Distribution

Volvo V70

Seating

Rest of World



Cadillac SLS (China)

Seating, Door Panels, Flooring & Acoustics

Chang'an CV6, CV8, CV11, CM5 (China)

Seating

Fiat Punto (Brazil)

Seating, Electrical Distribution

Ford Mondeo (China)

Seating, Door Panels, Overhead System

Hyundai Santro Minicar (India)

Seating

Mahindra Scorpio (India)

Seating

Nissan Geniss MPV and Sylphy Sedan (China)

Seating

PSA B53 (Argentina)

Seating, Electrical Distribution



- ▶ SoyFoam™ is a soybean oil-based flexible foam material for use in automotive applications
- ▶ Lear, working in partnership with Ford, has developed market-ready seating applications for SoyFoam™



Advantages of SoyFoam™

- ✓ Lower environmental impact to produce
- ✓ Up to 24% renewable vs. traditional non-renewable petroleum-based foam
- ✓ Reduces dependency on volatile energy markets
- ✓ Potential for reducing automotive seating foam costs as use reaches critical mass



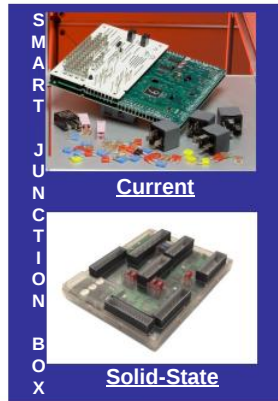
- Lear Markets SoyFoam™ and Other Environmentally-Friendly Automotive Interior Products Under the EnviroTec™ Trade Name

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Operating Priorities Innovation - Solid-State Smart Junction Box



- ▶ A Smart Junction Box (SJB) is the main **hub** of a vehicle's electrical system
- ▶ SJBs control power to electrical features, such as power windows, power door locks, lighting, instrumentation and audio/visual systems



Advantages of Solid-State SJB

- ✓ 50% to 80% reduction in volume
- ✓ 70% reduction in weight
- ✓ Increased packaging flexibility
- ✓ 5% to 20% reduction in cost
- ✓ Improved reliability and durability
- ✓ Enhanced diagnostics capability



2007 Outlook and Sales Backlog Update



2007 Outlook Industry Production Key Assumptions*



| | <u>2006 Estimate</u> | <u>2007 Outlook</u> |
|---|----------------------|---------------------|
| <u>North American Production</u> | | |
| Total Industry | ≈ 15.3 mil | About Flat |
| Big Three | ≈ 10.2 mil | Down ≈2% |
| <u>European Production</u> | | |
| Total Industry | ≈ 19.0 mil | Up ≈1% |
| Lear's Top 5 Customers | ≈ 9.6 mil | About Flat |
| Euro | \$1.25 / Euro | \$1.30 / Euro |

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

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- ▶▶ Definitive direction for Interior business
- ▶▶ Continued sales diversification
- ▶▶ Growth in Asia and with Asian manufacturers globally
- ▶▶ Improved launch efficiency and lower launch-related costs
- ▶▶ Potential for moderation in commodity costs
- ▶▶ Increasing savings from global restructuring actions

A Number Of Lear Factors Turn Positive In 2007

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

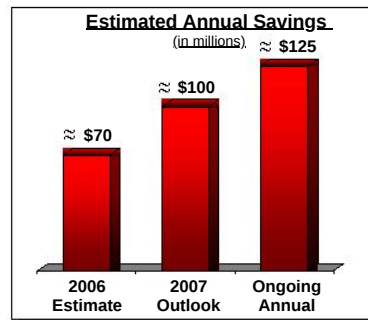
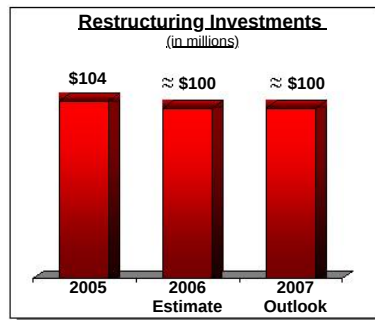


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2007 Outlook Global Restructuring Initiative*



- ▶ Lear's major restructuring initiative was launched in mid-2005 in response to depressed industry conditions, changing market trends and significant customer restructuring actions and is expected to be completed in 2007
- ▶ On track to close 15 facilities, consolidate numerous administrative centers and reduce census by 5% or more and increase sourcing and engineering in low-cost countries



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

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2007 Outlook Assessment Of Key Financials*



- ▶▶ Assuming an industry production environment that is roughly in line with 2006. . . we see the following outlook for 2007:
- ▶▶ Within our core Seating and Electronic and Electrical businesses:
 - Global new business of about \$800 million,
 - Seating margins continue to improve to the mid-5% level, excluding restructuring costs and other special items,
 - Electronic and Electrical margins improve during the course of the year to the 5.5% to 6% range, also excluding restructuring costs and other special items,
 - Capital spending is expected to be approximately \$250 million and
 - Free cash flow is expected to be solidly positive.

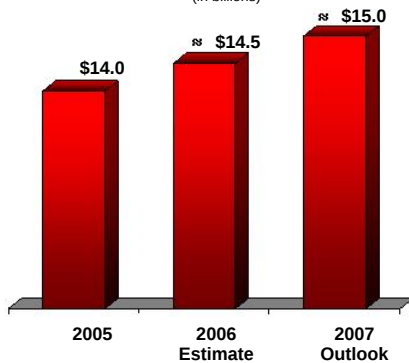
* Please see slides titled "Non-GAAP Financial Information" and "Forward-Looking Statements" at the end of this presentation for further information.



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Net Sales – Core Businesses*

(in billions)



2007 Net Sales Outlook

- ▶ ≈ \$800 million of new Seating and Electronic and Electrical business
- ▶ Roughly flat industry volume
- ▶ Slightly negative platform mix
- ▶ Favorable foreign exchange, primarily stronger Euro

* Excludes Interior business:

- 2005 \$3.1 billion

- 2006 Approximately \$3.2 billion

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

Margin Improvement Actions For Core Businesses*



- » To offset the adverse impact of unfavorable platform mix and a continued challenging pricing environment, we are implementing the following actions:

Seating Business

- ✓ New global Seating business
- ✓ Selective vertical integration (e.g., seat structures, trim and foam)
- ✓ Savings from restructuring actions
- ✓ Ongoing cost and efficiency actions
- ✓ Commercial/commodity negotiations
- ✓ New products and technology

Electronic & Electrical Business

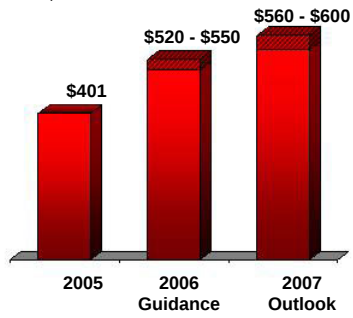
- ✓ Savings from restructuring actions
- ✓ Copper cost recovery
- ✓ Ongoing cost and efficiency actions
- ✓ Increased low-cost sourcing
- ✓ Proprietary products and technology

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

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Core Operating Earnings*
(Core Businesses)

(in millions)



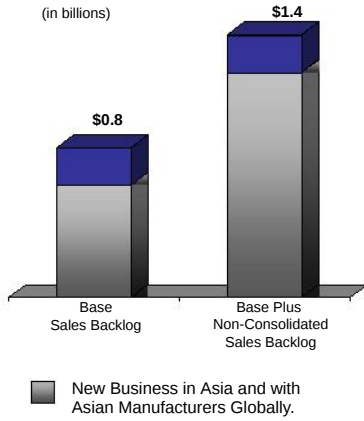
* Excludes Interior Business:
- 2005 \$(77) million
- 2006 Approximately \$(175) million

** Core Operating Earnings reflects income before interest, other expense, income taxes, impairments, restructuring costs and other special items. Please see slides titled "Non-GAAP Financial Information" and "Forward Looking Statements" at the end of this presentation for further information.

2007 Core Operating Earnings Outlook

- + New global business
- + Improving Margins
- + Lower launch activity and cost
- + Restructuring savings
- + Moderating commodity prices
- Adverse platform mix
- Challenging pricing environment

2007 – 2009 Sales Backlog



- ▶ Three-year sales backlog down from recent levels, reflecting:
 - Majority of Lear's North American production volume recently changed over to new models
 - Evolving business model, with fewer pass-through sales and increased emphasis on components
 - Downsizing by the Big Three
 - N.A. market shift away from pickups and large SUVs
- ▶ Composition of sales backlog is also changing, reflecting:
 - Increased importance of non-consolidated sales from strategic joint ventures
- ▶ Key sourcing decisions over planning horizon still open

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

Q and A Session



Non-GAAP Financial Information

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP") included throughout this presentation, the Company has provided information regarding certain non-GAAP financial measures. These measures include "core operating earnings – core businesses" (income before interest, other expense, income taxes, impairments, restructuring costs and other special items), "net sales – core businesses" and "free cash flow." Free cash flow represents net cash provided by operating activities before the net change in sold accounts receivable, less capital expenditures. The Company believes it is appropriate to exclude the net change in sold accounts receivable in the calculation of free cash flow since the sale of receivables may be viewed as a substitute for borrowing activity.

Management believes that the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company's financial position and results of operations. In particular, management believes that core operating earnings – core businesses and net sales – core businesses are useful measures in assessing the Company's financial performance by excluding certain items that are not indicative of the Company's core operating earnings or that may obscure trends useful in evaluating the Company's continuing operating activities. Management also believes that these measures are useful to both management and investors in their analysis of the Company's results of operations and provide improved comparability between fiscal periods. Management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses these non-GAAP financial measures for planning and forecasting in future periods.

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

Set forth on the following slides are reconciliations of historical non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP. Given the inherent uncertainty regarding special items and the net change in sold accounts receivable in any future period, a reconciliation of forward-looking financial measures is not feasible. The magnitude of these items, however, may be significant.



Reconciliations of net sales – core businesses
and core operating earnings – core businesses

| (in millions) | 2005 | | | | | |
|--|-------------|---------------------------|---------------------|----------------------------|------------|--------------|
| | Seating | Electronic and Electrical | Corporate and Other | Subtotal - Core Businesses | Interior | Consolidated |
| Net sales | \$ 11,035.0 | \$ 2,956.6 | \$ - | \$ 13,991.6 | \$ 3,097.6 | \$ 17,089.2 |
| Segment earnings | \$ 323.3 | \$ 180.0 | \$ (206.8) | \$ 296.5 | \$ (191.1) | \$ 105.4 |
| Fixed asset impairment charges | - | - | - | - | 82.3 | 82.3 |
| Costs related to restructuring actions | 33.0 | 39.0 | 2.0 | 74.0 | 32.3 | 106.3 |
| Litigation charges | 30.5 | - | - | 30.5 | - | 30.5 |
| Adjusted segment earnings (core operating earnings) | \$ 386.8 | \$ 219.0 | \$ (204.8) | \$ 401.0 | \$ (76.5) | \$ 324.5 |



Non-GAAP Financial Information



Reconciliation of segment earnings to loss before income taxes and cumulative effect of a change in accounting principle

| (in millions) | 2005 |
|---|---------------------|
| Seating | \$ 323.3 |
| Electronic and Electrical | 180.0 |
| Interior | <u>(191.1)</u> |
| Segment earnings | \$ 312.2 |
| Corporate and geographic headquarters and elimination of intercompany activity | <u>(206.8)</u> |
| Income before goodwill impairment charge, interest, other expense and income taxes | \$ 105.4 |
| Goodwill impairment charge | 1,012.8 |
| Interest expense | 183.2 |
| Other expense, net | <u>38.0</u> |
| Loss before income taxes and cumulative effect of a change in accounting principle | \$ (1,128.6) |



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. Actual results may differ materially from anticipated results as a result of certain risks and uncertainties, including but not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates or currency exchange rates, the financial condition of the Company's customers or suppliers, fluctuations in the production of vehicles for which the Company is a 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 and timing of facility closures, business realignment or similar actions, increases in the Company's warranty or product liability costs, risks associated with conducting business in foreign countries, competitive conditions impacting the Company's key customers and suppliers, raw material costs and availability, the Company's ability to mitigate the significant impact of increases in raw material, energy and commodity costs, the outcome of legal or regulatory proceedings to which the Company is or may become a party, unanticipated changes in cash flow, including the Company's ability to align its vendor payment terms with those of its customers, the finalization of the Company's restructuring strategy and other risks described from time to time in the Company's Securities and Exchange Commission filings. In particular, the Company's financial outlook for 2007 is based on several factors, including the Company's current vehicle production and raw material pricing assumptions. The Company's actual financial results could differ materially as a result of significant changes in these factors. In addition, the Company's agreement to contribute essentially all of its North American interior business to IAC North America is subject to various conditions, including the receipt of required third-party consents, as well as other closing conditions customary for transactions of this type. No assurances can be given that the proposed transaction will be consummated on the terms contemplated or at all.

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 2007 - 2009 sales backlog is based on an exchange rate of \$1.30 per Euro and the following industry production assumptions: in North America, 15.3 million units in 2007; 15.7 million in 2008 and 16 million in 2009 and, in Europe, 19.1 million units in 2007; 19.5 million in 2008 and 19.9 million in 2009.

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.

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