Financial Projections

Management prepared the Financial Projections for the years 2009 through 2012 (the "Projection Period"). The Financial Projections are based on a number of assumptions made by management with respect to the future performance of the Reorganized Debtors' operations. Although management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, it is important to note that the Debtor can provide no assurance that such assumptions will be realized. As described in detail in the Disclosure Statement, a variety of risk factors could affect the Reorganized Debtors' financial results and must be considered. The Financial Projections should be reviewed in conjunction with a review of these assumptions, including the qualifications and footnotes set forth within.

1. General

    a. Methodology – The Financial Projections are based upon the Debtors' detailed operating forecast for 2009. For 2010 – 2012, the Financial Projections incorporate management's assumptions and initiatives, including the impact of the Debtors' operating restructuring initiatives.

    b. Plan Consummation – The operating assumptions assume that the Plan will be confirmed and consummated by December 31, 2009.

    c. Macroeconomic and Industry Environment – The Financial Projections are based on global vehicle platform production forecasts provided by CSM Worldwide. The Financial Projections assume a relatively stable global currency environment and commodity environment.

2. Projected Statements of Operations

    a. Sales – Consolidated sales includes the sale of complete automotive seat systems and the components thereof, as well as electrical distribution systems and electronic products. The Financial Projections assume North America light vehicle production of approximately 8.0 million units in 2009 growing to 13.7 million units in 2012. In Europe, light vehicle production is forecasted to be approximately 15.2 million units in 2009 and grow to 17.3 million units by 2012. During the Projection Period, sales are estimated to grow from $9.2 billion in 2009 and to $13.3 billion by 2012.

    b. Cost of Sales – Cost of Sales is projected to be 98.6% of sales in 2009 and improve to 93.0% of sales by 2012, driven by the improving global production environment and the benefit of the Company's operating restructuring actions.

    c. Selling, General, & Administrative Expenses – Selling, General & Administrative ("SG&A") expenses are projected to be 5.2% of sales in 2009, improving to 3.7% of sales in 2012 as the production environment returns to more normalized levels.

d. EBITDAR – Pretax earnings before Interest, Miscellaneous Expense, Depreciation and Amortization, Reorganization Items and Restructuring charges ("EBITDAR") is expected to grow from $118 million in 2009 to $795 million in 2012 as global vehicle production recovers from historic lows in 2009.

e. Reorganization Items – The 2009 Reorganization Items consist of estimated post-petition fees for professional advisors and bank fees directly attributable to the bankruptcy filing and related capital restructuring totaling $56.5 million. For the 2009 pre-petition period, costs related to capital restructuring totaled $23.7 million and were recorded in SG&A expenses. Reorganization Items exclude adjustments that may be approved by the bankruptcy court related to the Company's Plan of Reorganization.

f. Interest Expense – For 2009, interest expense reflects the actual expense incurred through June and the projected expense related to the DIP facility for the second half of the year. For 2010 through 2012, interest expense Financial Projections are based on the Company's debt structure after the Restructuring Plan is complete and reflect interest expense on the new $500 million term facility and $600 million second lien term facility. Interest expense also includes commitment and issuance fees as well as additional expense related to approximately $50 million in other miscellaneous debt.

g. Income Taxes – We have provided valuation allowances with respect to our deferred tax assets, including net operating losses, in several countries. The Financial Projections assume that no tax benefit will be provided with respect to losses incurred and no tax expense will be provided with respect to income generated in these countries throughout the Projection Period. In addition, it is assumed that in connection with our emergence from Chapter 11, our U.S. net operating loss carryovers and other tax attributes will be significantly reduced due to the cancellation of indebtedness income, with any remaining tax attributes subject to an annual limitation under Internal Revenue Code sections 382 and 383.

3. Projected Balance Sheets and Statements of Cash Flow

The Company's projected Consolidated Balance Sheets set forth the projected consolidated financial position of the Company, after giving effect to the Proposed Reorganization. The projected Consolidated Balance Sheets were developed based upon the December 31, 2008 balance sheet contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as adjusted for the Plan and projected results of operations and cash flows over the Projection Period. These Financial Financial Projections were not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The projected Consolidated

Balance Sheets do not reflect the impact of "fresh start" accounting, which could result in a material change to the projected values of assets and liabilities.

The projected Consolidated Balance Sheets contain certain pro forma adjustments as a result of the Plan Consummation. They also include the debt and other obligations that will continue to remain outstanding and will be paid in the ordinary course of operations. The projected cash balances reflect the effects of anticipated changes in working capital related items, including assumed increases in working capital prior to the Effective Date and subsequent improvements post-emergence. On the Effective Date, actual cash may vary from cash reflected in the projected Consolidated Balance Sheets because of variances in the Financial Projections and potential changes in cash needs to consummate the Plan. Additionally, the projected Consolidated Balance Sheets are presented prior to the effect of any prepayment of excess liquidity required under Article IV.H of the Plan of Reorganization.

Lear Corporation
Unaudited Consolidated Statement of Operations
($ IN MILLIONS)

	Pro Forma 2009	Pro Forma 2010	Pro Forma 2011	Pro Forma 2012
NET SALES	$9,154.4	$11,383.7	$12,566.7	$13,345.0
COST OF SALES	9,022.4	10,878.0	11,779.9	12,405.0
GROSS PROFIT	132.0	505.7	786.8	940.0
% of Sales	1.4%	4.4%	6.3%	7.0%
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	481.8	470.2	489.3	500.0
	5.3%	4.1%	3.9%	3.7%
OPERATING INCOME / (LOSS)	($349.8)	$35.5	$297.5	$440.0
% of Sales	-3.8%	0.3%	2.4%	3.3%
OTHER EXPENSE, NET	(46.9)	(40.0)	(40.0)	(35.0)
INTEREST EXPENSE	($172.8)	($136.2)	($140.7)	($150.4)
REORGANIZATION ITEMS	($51.9)	$0.0	$0.0	$0.0
PROFIT / (LOSS) BEFORE TAXES	($621.4)	($140.7)	$116.8	$254.6
INCOME TAXES	(45.8)	(61.8)	(90.0)	(105.0)
% of Profit	-7.4%	-43.9%	77.1%	41.2%
CONSOLIDATED NET INCOME / (LOSS)	($667.2)	($202.5)	$26.8	$149.6
NONCONTROLLING INTERESTS	14.6	16.0	22.0	25.0
NET INCOME / (LOSS) ATTRIBUTABLE TO LEAR	($681.8)	($218.5)	$4.8	$124.6
EBITDA	($86.4)	$330.5	$592.5	$735.0
EBITDAR	$118.0	$440.5	$702.5	$795.0
VOLUMES				
NORTH AMERICA	8.0	10.0	12.3	13.7
EUROPE	15.2	16.1	17.0	17.3

Lear Corporation
Unaudited Consolidated Statement of Cash Flows
($ IN MILLIONS)

	Pro Forma 2009	Pro Forma 2010	Pro Forma 2011	Pro Forma 2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
NET INCOME ATTRIBUTABLE TO LEAR	$ (681.8)	$ (218.5)	$ 4.8	$ 124.6
DEPRECIATION AND AMORTIZATION	263.4	295.0	295.0	295.0
CHANGE IN ENGINEERING AND TOOLING	(20.5)	15.0	-	-
CHANGE IN WORKING CAPITAL ITEMS	(288.7)	94.6	34.6	15.8
OTHER, NET	86.2	13.0	17.2	15.2
NET CASH PROVIDED BY OPERATING ACTIVIITES	(641.4)	199.1	351.6	450.6
NET CHANGE IN SOLD ACCOUNT RECEIVABLES	(138.5)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
ADDITIONS TO PROPERTY, PLANTS AND EQUIPMENT	(129.7)	(175.0)	(190.0)	(235.0)
OTHER, NET	7.0	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(122.7)	(175.0)	(190.0)	(235.0)
CASH FLOWS FROM FINANCING ACTIVITIES:				
LONG-TERM DEBT, NET	416.5	(5.0)	(5.0)	(5.0)
SHORT-TERM BORROWINGS, NET	(13.5)	-	-	-
DECREASE IN DRAFTS	(1.0)	-	-	-
OTHER, NET	(90.0)	(35.0)	-	-
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	312.1	(40.0)	(5.0)	(5.0)
EFFECT OF FOREIGN CURRENCY TRANSLATION	19.6	-	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(571.0)	(15.9)	156.6	210.6
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,592.1	1,021.2	1,005.2	1,161.8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,021.2	$ 1,005.2	$ 1,161.8	$ 1,372.4
FREE CASH FLOW:				
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (641.4)	$ 199.1	$ 351.6	$ 450.6
ADDITIONS TO PROPERTY, PLANTS AND EQUIPMENT	(129.7)	(175.0)	(190.0)	(235.0)
FREE CASH FLOW	$ (771.1)	$ 24.1	$ 161.6	$ 215.6

Lear Corporation
Unaudited Consolidated Balance Sheet
($ IN MILLIONS)

ASSETS	Pro Forma Dec. 31, 2009	Pro Forma Dec. 31, 2010	Pro Forma Dec. 31, 2011	Pro Forma Dec. 31, 2012
CASH AND CASH EQUIVALENTS	$1,021.2	$1,005.2	$1,161.8	$1,372.4
ACCOUNTS RECEIVABLE	1,397.6	1,549.7	1,605.8	1,751.8
INVENTORY	430.1	481.1	490.0	499.9
OTHER	274.2	282.5	270.8	259.2
TOTAL CURRENT ASSETS	$3,122.9	$3,318.5	$3,528.4	$3,883.2
NET PROPERTY, PLANT & EQUIPMENT	1,074.9	960.9	860.9	805.9
NET GOODWILL	1,487.2	1,487.2	1,487.2	1,487.2
OTHER	520.5	517.5	517.3	522.1
TOTAL ASSETS	$6,205.5	$6,284.1	$6,393.8	$6,698.4

LIABILITIES & EQUITY				
ACCOUNTS PAYABLE	$1,102.4	$1,480.1	$1,558.2	$1,712.2
ACCRUED LIABILITIES	810.9	719.2	729.0	735.0
SHORT-TERM BORROWINGS	30.0	30.0	30.0	30.0
CURRENT PORTION OF LONG-TERM DEBT	8.0	8.0	8.0	8.0
TOTAL CURRENT LIABILITIES	$1,951.3	$2,237.3	$2,325.2	$2,485.2
DEFERRED LIABILITIES	672.4	672.4	672.4	672.4
LONG TERM DEBT:				
TERM LOANS	1,095.0	1,090.0	1,085.0	1,080.0
OTHER LONG TERM DEBT	13.2	13.2	13.2	13.2
LONG-TERM DEBT	$1,108.2	$1,103.2	$1,098.2	$1,093.2
COMMON EQUITY	1,929.5	1,929.5	1,929.5	1,929.5
PREFERRED EQUITY	500.0	500.0	500.0	500.0
RETAINED EARNINGS / (DEFICIT)	0.0	(218.5)	(213.7)	(89.1)
NONCONTROLLING INTERESTS	44.1	60.1	82.1	107.1
EQUITY	$2,473.6	$2,271.1	$2,297.9	$2,447.5
TOTAL LIABILITIES & EQUITY	$6,205.5	$6,284.1	$6,393.8	$6,698.4