Lear Electrical Power Management Systems

Supplier Communications Meeting

February 23, 2010
Southfield, Michigan
Supplier Communications Meeting – February 23, 2010

- Company Overview, Financial Update and Business Outlook  
  Matt Simoncini, SVP and CFO

- Technology & Process  
  Mike Fawaz, Vice President Global Engineering

- Hybrid / EV Technology – Strategy  
  Jeneanne Hanley, Vice President Business Development & Strategy

- Supply Base Expectations / Status  
  Bob Thomas, Vice President, Global Purchasing

- Q and A Session
Lear Corporation
Company Overview, Financial Update
and Business Outlook
Matt Simoncini

NOTE: The following financial slides were taken from the 2009 Q4 Earnings Call held on February 5, 2010. The complete presentation is available at www.Lear.com.
2009 Company Overview

- **Operational Restructuring** has reduced structural costs and improved global production footprint
- **Financial Restructuring** has reduced total debt obligations and increased financial flexibility
- Continued progress on sales diversification – 70% of 2009 net sales outside of North America
- Maintained a leadership position in Seating – business performing near margin target, with significant growth opportunity in Asia
- Strengthened global capabilities in Electrical Power Management – sales growth and margin improvement plans in place; significant opportunity in high-power and hybrids
Restructuring has Reduced Structural Costs and Improved Capital Structure

Operational Restructuring
- Continued comprehensive effort to restructure the Company’s global operations for improved long-term competitiveness. Since mid-2005, Lear has invested $740 million in restructuring actions, resulting in a significant reduction in structural costs and a major repositioning of our production footprint. Noteworthy actions include:
  - Divested money-losing Interior segment
  - Closed 35 manufacturing and 10 administrative facilities
  - Located 50% of total facilities and 75% of employment in 21 low-cost countries
  - Annual ongoing savings totals approximately $400 million

Financial Restructuring
- Voluntarily filed for Chapter 11 bankruptcy protection on July 7th to complete a major capital restructuring. Emerged on November 9th with substantially lower total debt and improved financial flexibility. Ended 2009 with a cash balance of $1.6 billion and total debt of less than $1 billion.
Continued Progress on Sales Diversification

2009 Net Sales

By Region

- Europe 47%
- North America 30%
- Rest of World 23%

By Customer

- Ford
- GM
- BMW
- Asian OEMs
- VW/Audi
- Fiat
- PSA Group
- Saab/Volvo
- Chrysler
- Renault/Nissan
- Mercedes Benz
- Jaguar/Land Rover
- All Other

70% Of 2009 Net Sales Outside Of North America
Significant Growth Opportunity in Asia

Lear’s Net Sales (in millions)

- **Asia**
  - 2005: $899
  - 2006: $1,168
  - 2007: $1,618
  - 2008: $1,673
  - 2009: $1,941

- **China**
  - 2005: $332
  - 2006: $540
  - 2007: $735
  - 2008: $828
  - 2009: $903

Legend:
- Green: Consolidated Sales
- Gray: Non-Consolidated Sales
Sales Growth and Margin Opportunity in Electrical Power Management

- **Business Segment Improvement Plans in Place**
  - Global Capabilities and Low-Cost Footprint
  - 2010 to 2012 Sales Backlog of $800 million
  - Sales Target -- $4 to $5 billion
  - Margin Target -- 6½% to 7½%

- **Growth Opportunity in High-Power and Hybrid Electrical Systems**
  - Lear has won High-Power and Hybrid business with BMW, Chevrolet, Coda, Daimler, Land Rover, Nissan, and Renault

**Lear Content on Chevy Volt**
- High and low-voltage wire harnesses
- Custom terminals and connectors, including the industry’s first terminal with 250-amp capability
- External charging cable with Lear’s Smart Connector™ system
- Battery charger and other proprietary electronic components
Fourth-Quarter and Full-Year 2009 Results
2009 Financial Summary

Fourth-Quarter 2009
- Industry production improved year-over-year in mature markets; strong growth in Asia continued
- Net sales of $2.7 billion, up 5%
- Core operating earnings of $116 million
- Free cash flow of positive $11 million

Full-Year 2009
- Net sales of $9.7 billion, down 28%
- Core operating earnings of $107 million
- Free cash flow of negative $156 million
## Fourth-Quarter and Full-Year 2009
### Global Industry Production Environment

<table>
<thead>
<tr>
<th>Region</th>
<th>Fourth-Quarter 2009</th>
<th>Full-Year 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units (in millions)</td>
<td>Units (in millions)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>4.3</td>
<td>15.7</td>
</tr>
<tr>
<td>North America</td>
<td>2.7</td>
<td>8.5</td>
</tr>
<tr>
<td>China</td>
<td>3.2</td>
<td>10.8</td>
</tr>
<tr>
<td>India</td>
<td>0.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Global</td>
<td>16.8</td>
<td>56.9</td>
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</table>

Source: Ward’s Automotive and CSM Worldwide
### Fourth-Quarter and Full-Year 2009 Impact of Restructuring and Other Special Items

(in millions)

<table>
<thead>
<tr>
<th>Reported Results</th>
<th>Fourth-Quarter 2009</th>
<th>Full-Year 2009</th>
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</thead>
<tbody>
<tr>
<td>Pretax Income (Loss) Before Interest and Other Expense</td>
<td>$1,237.0</td>
<td>$1,059.5</td>
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<tr>
<td>Reorganization items and fresh start accounting</td>
<td>(1,513.4)</td>
<td>(1,474.8)</td>
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<tr>
<td>adjustments, net</td>
<td></td>
<td></td>
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<tr>
<td>Goodwill impairment charges</td>
<td>319.0</td>
<td>319.0</td>
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<tr>
<td>Costs related to operational restructuring actions**</td>
<td>57.8</td>
<td>164.1</td>
</tr>
<tr>
<td>Other special items</td>
<td>15.1</td>
<td>39.0</td>
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<tr>
<td><strong>2009 Core Operating Earnings</strong></td>
<td>$115.5</td>
<td>$106.8</td>
</tr>
<tr>
<td><strong>2008 Core Operating Earnings</strong></td>
<td>$22.0</td>
<td>$418.4</td>
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</table>
Fourth-Quarter and Full-Year 2009 Seating Performance

Full-Year Explanation of Year-to-Year Change

Sales Factors
- Lower industry production in North America and Europe
- Unfavorable foreign exchange

Margin Performance
- Lower industry production in North America and Europe
- Net selling price reductions
+ Favorable cost performance
+ Restructuring savings

Adjusted Seating Segment Margins

<table>
<thead>
<tr>
<th>Q408</th>
<th>Q409</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6%</td>
<td>6.1%</td>
<td>4.8%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

(in millions)

Sales  
2008: $2,071.5
Q408: $2,173.7
Q409: $2,173.7
2009: $10,726.9

Earnings**  
2008: $32.5
Q408: $104.7
Q409: $133.2
2009: $386.7

Adj. Earnings**  
2008: $73.7
Q408: $133.2
Q409: $519.4
2009: $322.2

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Fourth-Quarter and Full-Year 2009
Electrical Power Management Performance

Adjusted Electrical Power Management Segment Margins

Full-Year Explanation of Year-to-Year Change

Sales Factors
– Lower industry production in North America and Europe
– Unfavorable foreign exchange
– Net selling price reductions

Margin Performance
– Lower industry production in North America and Europe
– Net selling price reductions
+ Favorable operating performance
+ Restructuring savings

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q408</th>
<th>Q409</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$528.9</td>
<td>$568.7</td>
<td>$2,843.6</td>
<td>$1,926.7</td>
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<tr>
<td>Earnings</td>
<td>$(26.7)</td>
<td>$(21.9)</td>
<td>$44.7</td>
<td>$(155.8)</td>
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<tr>
<td>Adj. Earnings</td>
<td>$(21.2)</td>
<td>$14.1</td>
<td>$76.1</td>
<td>$(70.6)</td>
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</tbody>
</table>
Key Balance Sheet Metrics

- Debt obligations reduced by approximately $2.7 billion to $972 million
- Adequate liquidity to support global operating needs and growth plans
- No significant debt maturities until 2012
- Covenants provide sufficient flexibility to navigate current environment and execute operating plan
## Full-Year 2010 Financial Outlook

<table>
<thead>
<tr>
<th>Description</th>
<th>Full-Year 2010 Financial Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$10.2 to $10.7 billion</td>
</tr>
<tr>
<td>Core Operating Earnings</td>
<td>$250 to $350 million</td>
</tr>
<tr>
<td>Pretax income before interest, other expense, restructuring costs and other special items</td>
<td>≈ $240 million</td>
</tr>
<tr>
<td>Depreciation</td>
<td>≈ $25 million</td>
</tr>
<tr>
<td>Amortization</td>
<td>≈ $85 million</td>
</tr>
<tr>
<td>Pretax Income</td>
<td>$145 to $245 million</td>
</tr>
<tr>
<td>before restructuring costs and other special items</td>
<td></td>
</tr>
<tr>
<td>Estimated Tax Expense</td>
<td>$70 to $90 million</td>
</tr>
<tr>
<td>Pretax Operational Restructuring Costs</td>
<td>≈ $110 million</td>
</tr>
<tr>
<td>Capital Spending</td>
<td>≈ $170 million</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$50 to $100 million</td>
</tr>
<tr>
<td>North America Production</td>
<td>10.5 million units</td>
</tr>
<tr>
<td>Europe Production</td>
<td>15.4 million units</td>
</tr>
<tr>
<td>Foreign Exchange</td>
<td>$ 1.40 / €</td>
</tr>
<tr>
<td>Fully Diluted Shares Outstanding (Full Year Average)</td>
<td>54.0 million</td>
</tr>
</tbody>
</table>
Summary and Outlook
Summary and Outlook

- Lear’s strong customer focus and operating fundamentals remain unchanged
- Completed financial restructuring in four months; emerged from Chapter 11 with a strong and flexible balance sheet
- Year-end 2009 cash balance of $1.6 billion and total debt of less than $1 billion
- 2010 financial outlook:
  - Core Operating Earnings of $250 million to $350 million
  - Depreciation and Amortization of about $265 million
  - Free Cash Flow of $50 million to $100 million
- 2010 to 2012 consolidated sales backlog of net new business totals $1.4 billion

*Well Positioned to Benefit from Industry Recovery with Competitive Cost Structure, Focus on Quality and Commitment to Customer Satisfaction*
Technology & Process
Mike Fawaz
Product Segmentation
Global Engineering Centers of Excellence

GLOBAL ENGINEERING PRESENCE
CENTERS OF EXCELLENCE
- SOUTHFIELD, USA – Wire, Wireless, Hybrid
- REMScheid, GERMANY – T/C
- KRONACH, GERMANY – Audio, Gateway, Lighting
- VALLS, SPAIN – JB, Body Control Modules

LOW COST CENTERS
- SHANGHAI, CHINA
- JUAREZ, MEXICO
- CEBU, PHILIPPINES
- MUMBAI, INDIA
Global Engineering Centers of Excellence

➢ Objectives
   – Recognized global advanced research centers
   – Eliminate redundancy
   – Global collaboration
   – Optimize use of LCC engineering & design

➢ Expertise
   – Southfield, Remscheid, Valls, Kronach – primary centers
   – Advanced technology development

➢ Low Cost Engineering Centers

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>ESD LCC Engineering</td>
<td>55%</td>
<td>60%</td>
<td>65%</td>
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</tbody>
</table>

➢ Advanced Development / Technology Needs to Deliver Value!
   – Reduce Cost
   – Reduce Size
   – Reduce Weight
   – Improve Quality
Copper Clad Aluminum Wire Technology

Reduced high power and battery cable copper usage

Lear’s copper clad aluminum wire solution reduces mass and copper dependence by replacing copper alloy with copper clad aluminum (CCA). High power and battery applications offer the largest opportunities for CCA implementation.

Advantages

• Reduces exposure to copper price volatility by replacing some copper with steel in wire cross section
• Supported by global, low cost manufacturing and engineering centers

Product Features

• Mass reduction achieved by replacing most copper with aluminum wire
• Aluminum core, single strand with copper coating
• Utilized on battery cables and high voltage wire harnesses

Alternative Wire Technology

Conventional
Stranded Copper
4ga – 2ga

New Technology
Hybrid Stranding
Copper Clad
Aluminum
2ga – 0ga

Reduces exposure due to volatility of copper prices

LEARN ELECTRICAL + ELECTRONICS ELECTRICAL DISTRIBUTION SYSTEMS
Front Electronic Module

Industry leading integrated Body Control module with gateway functionality

The front electronic modules integrates advanced gateway and lighting functions along with standard body control functions.

Features include:

Body functions (wiper, windows, mirrors), Car Access (steering column lock, Passive Entry and Passive Start, Remote control services, central locking), Lights (interior, exterior and intelligent lights), Gateway (Flexray, CAN, LIN, Ethernet) and smart junction box features.

Advantages

- High level of Hardware integration resulting in cost and weight savings.
- Integration of Software models in an Autosar compliant architecture.
- Scaleable across multiple platforms.

Product Features

- Multi Platform scaleable design.
- Multiple electronic features into one module: Body, Car Access, Lights, Gateway.
- Integrates Central gateway communication (Flexray, CAN, LIN, MOST).
- Fast Software Downloading at OEM plant (Ethernet).
- Security functions to prevent unauthorized tampering or use.
Adaptive Exterior LED Lighting Control

Lighting modules are used to control LEDs in many lighting applications. LEDs are increasingly used in side markers, daytime running lights, turn indicators, and low and high beam headlights. Lear’s next generation LED driver solutions controls a headlamp consisting of up to 100 LEDs.

Advantages

- Flexible package and layout design allow maximum lamp design freedom.
- Easy Serviceability
- Country specific requirements are configurable in software
- LED control electronics can be integrated into active front light modules close to or directly inside headlamps
- In-house thermal simulation and mechanical design capabilities support next generation lighting technologies

Product Features

- Up to 100 LEDs offer unique appearance compared to conventional LED lighting
- LED based adaptive partial main beam enables the driver to leave the main beams constantly switched on.
- Precise beam areas in which unwanted areas can be dimmed
- Potential hazards are highlighted with special spotlight function.
- Superior illumination of the road ahead, compared to conventional LED lighting.
- LED lighting increases overall consumer satisfaction leading to enhanced quality rating
Hybrid / EV Technology & Strategy
Jeneanne Hanley
Lear Target Market ($5B in 2015)

By Hybrid Type

By Product

Charging Systems  High Power Distribution  Energy Management Systems
LEAR SMART™ HIGH POWER

SIMPLIFYING TODAY’S HIGH POWER REQUIREMENTS WITH INTEGRATED SOLUTIONS

Lear is at the forefront of developing and integrating advanced high power technologies critical to powering a new generation of hybrid and electric vehicles. Our production proven wire harness and terminal & connector products, leading power electronics efficiency and multiple high power production awards demonstrate Lear’s commitment to meeting and exceeding our customer’s expectations.

CHARGING SYSTEMS
Lear provides complete charging system solutions, connecting future plug-in hybrid and electric vehicles to the electric grid. Industry leading efficiency, proprietary technology, and Lear’s unique architectural-level understanding of the complete charging system combine to deliver optimized solutions for our customers.

ENERGY MANAGEMENT SYSTEMS
Lear offers a full product portfolio of stand alone and fully integrated solutions for our customers’ future hybrid and electric vehicle energy management requirements. Utilizing proprietary technology, Lear achieves industry leading efficiency, packaging, and reliability.

HIGH POWER DISTRIBUTION SYSTEMS
Lear is an industry leader in providing innovative solutions to hybrid and electric vehicle power distribution challenges. Production proven high voltage and high power wire harnesses, terminals and connectors, battery connection systems, and circuit protection systems are designed for optimized performance, safety, and flexibility.
**Lear High Power Products by Hybrid and Electric Vehicle Type**

### Example Vehicle:
- **Land Rover L405**
- **Chevrolet Malibu**
- **Ford Fusion**
- **BYD F3DM**
- **Chevrolet Volt**
- **Coda**

### Vehicle Attributes
- **Micro Hybrid**
  - Start-Stop
  - Motor Assist
- **Mild Hybrid (HEV)**
  - Start-Stop
  - All-electric mode capable
- **Full Hybrid (PHEV)**
  - Start-Stop
  - All-electric mode capable
  - Battery rechargeable from grid
- **Plug-in Hybrid (PHEV)**
  - Start-Stop
  - Battery charged from grid
  - Electric only drive
  - Gas generator only
- **Extended Range Electric Vehicle (EREV)**
  - Start-Stop
  - All-electric drive
  - Battery charged from grid
  - No ICE
- **Electric Vehicle (EV)**
  - Start-Stop
  - All-electric drive
  - Battery charged from grid

### Energy Management Systems
- **VQM**
- **DC/DC Converter**
- **Traction Inverter**
- **Integrated Power Module**
- **LV BMS**
- **LV BMS**

### Charging Systems
- **Battery Charger**
- **EVSE**
- **Charge Coupler**
- **Round Pin Terminals**

### Power Distribution Systems
- **HV Wire Harness**
- **14.5mm Blade Terminals**
- **6.5mm Blade Terminals**
- **Battery Disconnect Unit**
- **Master Service Disconnect**
- **HV Connector Systems**

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**Significant High Power / Hybrid Vehicle Awards**

- **Energy Management Systems**
- **High Power Distribution**
- **Charging Systems**
- **HV/LV Electrical Distribution**
- **Manual Service Disconnect**
- **3.3 kW Battery Charger**
- **Electric Vehicle Supply Equipment**
- **Bulkhead Battery Disconnect**

Chevy Volt
Summary

- **Targeted Market with Substantial Growth Opportunity**
  - HEV/EV market growing at ~29% CAGR 2009-2014
  - 2015 – $5B+ Target Market

- **Committed to a Flexible High Power Portfolio**
  - Lear’s portfolio allows access into Micro’s through Full EVs
  - Global Center of Excellence in Southfield Michigan
  - 100+ Patents / pending in High Power space

- **Continued Success Realized with OEMs**
  - Major awards with key OEMs: Renault, Daimler, GM, BMW, JLR, Fisker
  - Projected to be approx. 7% of division’s revenue in 2012

Industry Leading Technology + Competitiveness + Reputation for Excellence = Growth
Supply Base Expectations / Status
Bob Thomas
Global Purchasing Priorities

Supply Chain Execution
- Global Systems Integration
- Global Organization
- Critical Supply Issue Management
- Quality
- Plant Disruptions

Continual Cost & Quality Improvement
- Flawless Launch Performance
- Logistic Optimization
- Warranty Improvement
- Value Stream Optimization

Current & Future Business
- Global Landed Cost
- Material Cost Performance YOY
- Supply Footprint Alignment
- One Part – One Price
- Data Transparency

Aligned Suppliers will Share in EED Growth Strategy
Global Supplier Quality Performance

71% of Global Suppliers PPM = ZERO

Lear Continues to Utilize Quality Data in Sourcing
## Global Purchasing Priorities

### 2010 Goals

1. **PPM Reduction**
   - Electronics (PPM): 10
   - Electrical (PPM): 10

2. **Plant Disruptions**
   - 25% YOY Reduction
   - 48 Total Plant Disruptions
   - 54% Improvement over 2008

3. **Delivery Improvement**
   - 100% On Time
   - 1,115 Delivery / Logistics Issues

4. **Premium Inbound Freight**
   - $0
   - Below Expectation

### 2009 Performance

- Electronics: 42
- Electrical: 13
- Total Plant Disruptions: 48
- Improvement over 2008: 54%
- Delivery / Logistics Issues Non-conformances: 1,115
- Below Expectation
Plant Disruption Summary

Material

Summary for the Week of 1/25/10:

- Number of Suppliers = 43
- Number of Different Raw Material Part Numbers = 72
- Number of Customers = 20
- Number of Lines Down = 72
- Number of Operators Affected = 1,393
- Lost Hours = 10,426.5

Quality

2009 Major Plant Disruptions

- Customer Impact 44%
- Downtime 40%
- Stockout 6%
- Stop Ship 10%

- 25% Deterioration over 2008
# Supplier Rating System - SRS

## Supplier Rating System (SRS)

### Corporate Supplier Scorecard

### YTD Common Summary

<table>
<thead>
<tr>
<th>RATING MONTH</th>
<th>QUALITY (RPPM)</th>
<th>WRITTEN COMPLAINTS</th>
<th>DELIVERY</th>
<th>CUSTOMER SATISFACTION</th>
<th>WARRANTY ONs</th>
<th>TOTAL SCORE</th>
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</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>0</td>
<td>23</td>
<td>18</td>
<td>15</td>
<td>10</td>
<td>66</td>
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<td>FEBRUARY</td>
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<td>MARCH</td>
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<td>18</td>
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<td>JUNE</td>
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<td>AUGUST</td>
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<td>NOVEMBER</td>
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<tr>
<td>DECEMBER</td>
<td></td>
<td></td>
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<tr>
<td>YTD TOTAL</td>
<td>0</td>
<td>24</td>
<td>18</td>
<td>15</td>
<td>10</td>
<td>67</td>
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</table>

### Global Corporate Competitiveness

#### Category

- ACS/COMPETITIVENESS: 5.0 - 24.5
- DIVERSITY PURCHASES: 0 - 3.1
- RESPONSIVENESS: 7.5 - 19.0
- SCO SUPPORT: 6.2 - 15.1
- SUPPLY AGREEMENT: 0 - 39.1

<table>
<thead>
<tr>
<th>TOTAL WEIGHTED POINTS</th>
<th>18.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPETITIVENESS</td>
<td>16.6</td>
</tr>
</tbody>
</table>

### Quality

#### Quality (Maximum score = 30)

<table>
<thead>
<tr>
<th>SUPPLIER NUMBER</th>
<th>LOCATION</th>
<th>PIECES REJECTED</th>
<th>PIECES RECEIVED</th>
<th>ACTUAL RPM</th>
<th>RPM</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>549900-010</td>
<td>MATTAWAN, MI UNITED STATE</td>
<td>1,666</td>
<td>9,698,966</td>
<td>852</td>
<td>52</td>
<td>0</td>
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<tr>
<td>549900-020</td>
<td>DUNDALK COUNTY LOUISE, MD</td>
<td>1,204,242</td>
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<td>427,779</td>
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</tbody>
</table>

0 - 25  | 26 - 75  | 76 & HIGHER  | 1,500 | 15,050,914 | 52 | 0 |

### Written Complaints (QNs)

#### Written Complaints (QNs) (Maximum score = 25)

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>DESCRIPTION</th>
<th>CONTAIN</th>
<th>ENG</th>
<th>MINOR</th>
<th>REPEAT</th>
<th>PLANT</th>
<th>CUSTOMER</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>#CS II</td>
<td>CONTAINMENT</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td></td>
<td>INCIDENT</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

### Delivery

#### Delivery (Maximum score = 25)

<table>
<thead>
<tr>
<th>SUPPLIER NUMBER</th>
<th>LOCATION</th>
<th>MINOR</th>
<th>PLANT DISRUPTION</th>
<th>CUSTOMER INCIDENT</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>549900-010</td>
<td>MATTAWAN, MI UNITED STATE</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>549900-020</td>
<td>DUNDALK COUNTY LOUISE, MD</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>549900-030</td>
<td>EL PASO, TX UNITED STATES</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>E83000-010</td>
<td>FRICKENHAUSEN, GERMANY</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>E830700-020</td>
<td>TRAVERSE CITY, MI UNITED</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
</tbody>
</table>

Current Month Score | 18 |

### Customer Satisfaction

#### Customer Satisfaction (Maximum score = 15)

<table>
<thead>
<tr>
<th>PPAP</th>
<th>QUALITY</th>
<th>DOCUMENTATION</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
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<td>15</td>
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<tr>
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<td>0</td>
<td>15</td>
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<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
</tr>
</tbody>
</table>

Current Month Score | 15 |

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https://access2.lear.com
Top 5 2010 Program Launches

Nissan X61G
Wiring
Volume: 37,000
Customer: Nissan Shatai Kyushu Plant
Calsonic Kansei Oppama
Lear: Cebu (Gabriela), Philippines
SOP: Jan 2010

Ford F250 Super Duty Truck (P473)
Wiring and Electronics
Volume: 250,000
Customer: Ford Kentucky Truck
Lear: Apodaca and Juarez City
SOP: Feb. 2010

Chevy Volt
BBDU, MSD, Chargers, Cordsets (EVSE), Wiring
Customer: GM
Lear: Lear Monarca, Apodaca, TC
SOP: Nov. 2010

C1MCA – NA & EU Roll Up
Wiring, SJB, Electronics
Volume: 650,000 (avg.)
Customer: Ford
Lear: 18 Lear Locations for full C1MCA business
SOP: Dec. 2010

BMW F25 – NA & EU Roll Up
Gateway, Top Hi Fi, Body Controller, Pre-Fusebox
Volume: 190,000
Customer: BMW Spartanburg, SC
Lear: Apodaca
SOP: Sept. 2010

65 Total Global Launches

- # of Vehicle Platforms: 58
- Total # of Customers: 23
- Customer Manufacturing Countries: 11
- Total Part Numbers: >6,000

Keys to Success

- Communication
- Containment – Launch Protection Plan
- Material Readiness
- Stress the System
## Global Supply Base Compression

<table>
<thead>
<tr>
<th>Global Commodity</th>
<th>2010 Total</th>
<th>2011 Total</th>
<th>2010 Compression</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminals &amp; Connectors</td>
<td>82</td>
<td>72</td>
<td>10</td>
</tr>
<tr>
<td>Protections</td>
<td>60</td>
<td>55</td>
<td>5</td>
</tr>
<tr>
<td>Raw Material &amp; Tooling</td>
<td>327</td>
<td>302</td>
<td>25</td>
</tr>
<tr>
<td>Electronics/PCB</td>
<td>157</td>
<td>147</td>
<td>10</td>
</tr>
<tr>
<td>Wire/Wire Assembly</td>
<td>38</td>
<td>33</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>664</strong></td>
<td><strong>609</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

Compression Plan will Bring Opportunities to Suppliers Aligned with Lear Strategy
Central Transport
CEVA Logistics

- Flexible logistics infrastructure
- 40% reduction in truckload miles
- 64% reduction in LTL cost per pound

Supplier Success Stories
Global Purchasing 2010 Focus

- Execute 2010 Strategy
  - Cost Reduction Commitments
  - Supply Chain Compression
  - New Product Technology & Cost Leadership

- Launch Focus
  - Improve Delivery & Quality Performance
  - Supply Chain Readiness

- Continue Lear Logistics Optimization Implementation

- Maintain Customer Focus
Q & A