AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 1, 1995

REGISTRATION NO. 33-61583

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LEAR SEATING CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE	13-3386776
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

21557 TELEGRAPH ROAD
SOUTHFIELD, MICHIGAN 48034
(810) 746-1500
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

JAMES H. VANDENBERGHE
21557 TELEGRAPH ROAD
SOUTHFIELD, MICHIGAN 48034
(810) 746-1500
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert W. Ericson John L. MacCarthy Winston & Strawn 35 W. Wacker Drive Chicago, Illinois 60601 (312) 558-5600	David Mercado Cravath, Swaine & Moore 825 Eighth Avenue New York, New York 10019 (212) 474-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as practicable after the registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME

EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTES

This Registration Statement covers the registration of 17,250,000 shares of Common Stock, $.01 par value per share, of Lear for sale in underwritten public offerings (the "Offerings") in the United States and Canada (the "U.S. Offering") and outside the United States and Canada (the "International Offering"). The complete Prospectus relating to the U.S. Offering (the "U.S. Offering Prospectus") follows immediately after these Explanatory Notes. Following the U.S. Offering Prospectus is an alternate cover page and alternate back cover page for the Prospectus to be used in the International Offering (the "International Prospectus"). Otherwise, the International Prospectus will be identical to the U.S. Offering Prospectus.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Subject to Completion, dated September 1, 1995

PROSPECTUS

15,000,000 Shares

[LEAR LOGO]

COMMON STOCK

Of the 15,000,000 shares of Common Stock ("Common Stock") of Lear Seating Corporation ("Lear" or the "Company") being offered hereby, 10,000,000 shares are being offered by the Company and 5,000,000 shares are being offered by certain stockholders of the Company (the "Selling Stockholders"). See "Selling Stockholders." The Company will not receive any of the proceeds from the sale of Common Stock by the Selling Stockholders. Of the 15,000,000 shares of Common Stock being offered hereby, 12,000,000 shares are being offered initially in the United States and Canada by the U.S. Underwriters (the "U.S. Offering") and 3,000,000 shares are being offered initially outside the United States and Canada by the International Managers (the "International Offering" and, together with the U.S. Offering, the "Offerings"). The public offering price and underwriting discounts and commissions per share are identical for both Offerings. See "Underwriting."

The Company's Common Stock is listed on the New York Stock Exchange under the symbol "LEA." On August 31, 1995, the reported last sale price of the Common Stock on the New York Stock Exchange Composite Tape was $28 5/8 per share.

SEE "RISK FACTORS" ON PAGE 9 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Stockholders
Per Share	$	$	$	$
Total(3)	$	$	$	$

(1) Lear and the Selling Stockholders have agreed to indemnify the U.S. Underwriters, the International Managers and certain other persons against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) Before deducting expenses payable by Lear estimated at $.
(3) The Selling Stockholders have granted the U.S. Underwriters and the International Managers a 30-day option to purchase up to an aggregate of 2,250,000 additional shares of Common Stock on the same terms and conditions as set forth above solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Selling Stockholders will be $, $ and $, respectively. See "Underwriting."

The shares of Common Stock offered by this Prospectus are offered by the U.S. Underwriters subject to prior sale, to withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the U.S. Underwriters and to certain further conditions. It is expected that delivery of certificates for shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1995.

LEHMAN BROTHERS

MORGAN STANLEY & CO.
INCORPORATED

PAINEWEBBER INCORPORATED

SCHRODER WERTHEIM & CO.

, 1995

[LEAR SEATING CORPORATION LOGO]

[PHOTO CHEVROLET CAVALIER SUREBOND (TM) SEAT]
[PHOTO INTERIOR TRIM COMPONENTS]
[PHOTO FORD WINDSTAR INTERIOR]

[PHOTO FIAT PUNTO]

HIGH-IMPACT, CUSTOMER-FOCUSED TECHNOLOGY. Lear Seating Corporation is dedicated to providing its customers with world-class products and services. From its Technical Centers in Southfield and Rochester Hills, Michigan and Turin, Italy, research, advanced engineering and testing focus on future products for the world market. These centers demonstrate Lear's ongoing commitment as a technology leader and as a Tier I interior systems supplier.

IN CONNECTION WITH THE OFFERINGS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DURING THE OFFERINGS, CERTAIN PERSONS AFFILIATED WITH PERSONS PARTICIPATING IN THE DISTRIBUTION MAY ENGAGE IN TRANSACTIONS FOR THEIR OWN ACCOUNTS OR FOR THE ACCOUNTS OF OTHERS IN THE COMMON STOCK OF THE COMPANY PURSUANT TO EXEMPTIONS FROM RULES 10b-6, 10b-7, AND 10b-8 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

AVAILABLE INFORMATION

The Company is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files periodic reports and other information with the Securities and Exchange Commission (the "Commission"). The registration statement ("Registration Statement") (which term encompasses any amendments thereto) and the exhibits thereto filed by the Company with the Commission, as well as the reports and other information filed by the Company with the Commission, may be inspected at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and are also available for inspection and copying at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048, and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and at the New York Stock Exchange located at 20 Broad Street, New York, New York 10005. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 First Street, N.W., Washington, D.C. 20549 at prescribed rates.

The Company has filed with the Commission a Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Common Stock offered hereby. This Prospectus does not contain all the information set forth in the Registration Statement and the exhibits and schedules thereto, to which reference is hereby made. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement or to a document incorporated by reference herein, reference is hereby made to the exhibit for a more complete description of the matter involved and each such statement shall be deemed qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission are incorporated in this Prospectus by reference and made a part hereof:

(a) the Company's Annual Report on Form 10-K for the year ended December 31, 1994;

(b) the Company's Quarterly Report on Form 10-Q for the period ended April 1, 1995;

(c) the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995;

(d) the Company's Current Report on Form 8-K dated December 15, 1994, as amended by its Form 8-K/A filed on February 28, 1995 and its Form 8-K/A filed on August 11, 1995;

(e) the Company's Current Report on Form 8-K filed on August 28, 1995; and

(f) the Company's Registration Statement on Form 8-A filed on April 1, 1994, as amended by Amendment No. 1 on Form 8-A/A filed on April 5, 1994.

All documents subsequently filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the Offerings shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide, without charge, to each person to whom a copy of this Prospectus is delivered, on the written or oral request of such person, a copy of any or all of the documents incorporated herein by reference (other than exhibits thereto, unless such exhibits are specifically incorporated by reference into the information that this Prospectus incorporates). Written or telephone requests for such copies should be directed to the Company's principal office: Lear Seating Corporation, 21557 Telegraph Road, Southfield, Michigan 48034, Attention: Secretary (telephone: (810) 746-1500).

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements appearing elsewhere or incorporated by reference in this Prospectus. As used in this Prospectus, unless the context otherwise requires, the "Company" or "Lear" refers to Lear Seating Corporation and its consolidated subsidiaries. Unless otherwise indicated, all information contained in this Prospectus is based on the assumption that the Underwriters' over-allotment option is not exercised. Unless the context otherwise requires, the description of the Company's business included in this Prospectus does not include AIH.

THE COMPANY

GENERAL

Lear Seating Corporation is the largest supplier of automotive seat systems in the world. The Company's principal products include finished automobile and light truck seat systems, seat frames, seat covers and other seat components. The Company's seat systems, which are designed, manufactured and assembled at the Company's manufacturing facilities, are shipped to customer assembly plants on a sequential just-in-time basis. As of July 1, 1995, the Company employed approximately 26,000 people in 18 countries and operated 82 manufacturing, research, design, engineering, testing and administration facilities. The Company's sales have grown rapidly, both internally and through acquisitions, from approximately $159.8 million in the fiscal year ended June 30, 1983 to approximately $3.1 billion in the year ended December 31, 1994, a compound annual growth rate of approximately 30%.

With the acquisition of Automotive Industries Holding, Inc. ("AIH") in August 1995, the Company has become the largest independent Tier I supplier of automotive seat and interior systems to the North American and European vehicle markets. AIH is a leading designer and manufacturer of high quality interior trim systems and blow molded products principally for North American and European car and light truck manufacturers.

STRATEGY

The Company's strategy is to capitalize on two significant trends in the automotive industry: (i) the outsourcing of automotive components and systems by original equipment manufacturers ("OEMs"); and (ii) the consolidation and globalization of the OEMs' supply base. Outsourcing of interior components and systems has increased in response to competitive pressures on OEMs to improve quality and reduce capital needs, costs of labor, overhead and inventory. Consolidation among automotive industry suppliers has occurred as OEMs have more frequently awarded long-term sole source contracts to the most capable global suppliers. Increasingly, the criteria for selection include not only cost, quality and responsiveness, but also certain full-service capabilities including design, engineering and project management support.

Elements of the Company's strategy include:

- Strong Relationships with the OEMs. The Company's management has developed strong relationships with its 17 OEM customers which allow Lear to identify business opportunities and customer needs in the early stages of vehicle design. Management believes that working closely with OEMs in the early stages of designing and engineering seat systems gives it a competitive advantage in securing new business. Lear maintains an excellent reputation with the OEMs for timely delivery and customer service and for providing world class quality at competitive prices.

- Product Technology and Product Design Capability. Lear has made substantial investments in product technology and product design capability to support its products. The Company maintains two advanced technical centers (in Southfield, Michigan and Turin, Italy) where it develops and tests current and future products to determine compliance with safety standards, quality and durability, response to environmental conditions and user wear and tear. At its 12 customer-dedicated engineering centers, specific program applications are developed and tested. The Company has also made substantial investments in advanced computer aided design, engineering and manufacturing systems.

- Lean Manufacturing Philosophy. Lear's "lean manufacturing" philosophy seeks to eliminate waste and inefficiency in its own operations and in those of its customers and suppliers. The Company, whose facilities are linked by computer directly to those of its suppliers and customers, receives

components from its suppliers on a just-in-time basis, and delivers seat systems and components to its customers on a sequential just-in-time basis, which provides products to an OEM's manufacturing facility in the color and order in which the products are used. This process minimizes inventories and fixed costs for both the Company and its customers and enables the Company to deliver products on as little as 90 minutes' notice.

- Global Presence. Due to significant cost savings and improved product quality and consistency, OEMs have increasingly required their suppliers to manufacture seat systems and other components in multiple geographic markets. By expanding its operations outside the United States, Lear provides its products on a global basis to its OEM customers. For the six months ended July 1, 1995 approximately 54% of the Company's sales were outside the United States.

- Growth Through Strategic Acquisitions. Strategic acquisitions have been, and management believes will continue to be, an important element in the Company's growth worldwide and in its efforts to capitalize on automotive industry trends. These acquisitions complement Lear's existing capabilities and provide new growth opportunities. The Company's recent acquisitions have expanded its OEM customer base and worldwide presence and enhanced its relationships with existing customers. The acquisition of AIH (the "AIH Acquisition") has also given the Company a significant presence in the non-seating segment of the automobile and light truck interior market.

Implementation of the Company's strategy has resulted in rapid growth of the Company's net sales from approximately $159.8 million in the fiscal year ended June 30, 1983 to approximately $3.1 billion in the year ended December 31, 1994, a compound annual growth rate of approximately 30%. This increase in sales has been achieved through internal growth as well as through acquisitions. In 1994, the Company held a leading 38% share of the estimated $4.8 billion North American outsourced seat systems market and a 27% share of the estimated $6.8 billion total seat systems market. After giving pro forma effect to the acquisition of the primary automotive seat systems supplier to Fiat S.p.A. (the "FSB Acquisition"), the Company's share in 1994 of the estimated $2.4 billion European outsourced seat systems market would have been a leading 33% and its share of the estimated $4.5 billion total seat systems market would have been 18%. The Company's North American content per vehicle has increased from $12 in 1983 to $169 in 1994. In Europe, the Company's content per vehicle has grown from $3 in 1983 to $80 in 1994 after giving pro forma effect to the FSB Acquisition.

RECENT ACQUISITIONS

In August 1995, the Company purchased AIH for an aggregate purchase price of $926.4 million (including the assumption of $282.3 million of AIH's existing indebtedness and the payment of fees and expenses in connection with the acquisition). The acquisition of AIH, a leading designer and manufacturer of high quality interior trim systems and blow molded products principally for North American and European car and light truck manufacturers, positions the Company as the largest, independent Tier I supplier of automotive seat and interior systems to the estimated $22 billion North American and European total light vehicle interior market. AIH's sales have grown rapidly, both internally and through acquisitions, from approximately $209.5 million in 1991 to approximately $512.8 million in 1994, a compound annual growth rate of approximately 35%. As a result of the AIH Acquisition, Lear is able to provide OEMs with a complete portfolio of interior systems and components and the ability to manage the design, manufacture and supply of the total car and light truck interior. In the near-term, the Company intends to operate AIH as a separate division, using Lear's existing relationships with the OEMs to expand AIH's business. Management believes that as the outsourcing and supplier consolidation trends continue, the OEMs will increasingly seek global suppliers to provide total interiors, including seat systems, resulting in greater integration of Lear's and AIH's businesses and long-term growth opportunities for the Company.

Since 1990, Lear has completed five additional strategic acquisitions. In December 1994, the Company completed the FSB Acquisition, establishing Lear as the market leader in automotive seat systems in Europe. In 1993, the Company significantly expanded its operations in North America by purchasing certain portions of the North American seat cover and seat systems business (the "NAB") of Ford (the "NAB Acquisition"). In 1991 and 1992, the Company acquired the seat systems businesses of Saab in Sweden and Finland and of Volvo in Sweden.

The Company's principal executive offices are located at 21557 Telegraph Road, Southfield, Michigan 48034. Its telephone number at that location is (810) 746-1500.

THE OFFERINGS

Common Stock offered by:	
The Company	10,000,000 shares
The Selling Stockholders	5,000,000 shares
Total Common Stock offered	15,000,000 shares
Common Stock offered for sale in:	
U.S. Offering	12,000,000 shares
International Offering	3,000,000 shares
Common Stock to be outstanding after the Offerings	56,132,364 shares(1)
NYSE Symbol	LEA
Use of Proceeds	The net proceeds to the Company from the Offerings will be used to repay a portion of the indebtedness outstanding under the New Credit Agreement (as defined herein) incurred to finance the AIH Acquisition. The Company will not receive any proceeds from the sale of Common Stock by the Selling Stockholders.

---

(1) Excludes 4,371,452 shares of Common Stock issuable upon exercise of options outstanding as of July 1, 1995 and granted pursuant to (i) stock option agreements between the Company and certain management investors, (ii) the Company's 1992 Stock Option Plan and (iii) the Company's 1994 Stock Option Plan. Also excludes 229,405 shares of Common Stock issuable upon exercise of options (collectively with the options referred to in the preceding sentence, the "Options") originally granted under the Automotive Industries Holding, Inc. 1992 Key Employee Stock Option Plan which were converted into options to purchase Common Stock in connection with the AIH Acquisition.

RISK FACTORS

Investment in the Company's Common Stock involves certain risks discussed under "Risk Factors" that should be considered by prospective investors.

SUMMARY FINANCIAL DATA OF THE COMPANY

The following summary consolidated financial information and other data were derived from the consolidated financial statements of the Company. The consolidated financial statements of the Company for each of the fiscal years ended December 31, 1994 and 1993 and June 30, 1993 and 1992 have been audited by Arthur Andersen LLP. The consolidated financial statements of the Company for the six months ended July 1, 1995 and July 2, 1994 are unaudited; however, in the Company's opinion, they reflect all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the financial position and results of operations of such periods. The results for the six months ended July 1, 1995 are not necessarily indicative of the results to be expected for the full fiscal year. The summary financial data below should be read in conjunction with the other financial data of the Company included in this Prospectus, the consolidated financial statements of the Company and the notes thereto incorporated by reference in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company."

LEAR SEATING CORPORATION

	AS OF OR FOR THE SIX MONTHS ENDED		AS OF OR FOR THE YEAR ENDED			
	JULY 1, 1995	JULY 2, 1994	DECEMBER 31, 1994	DECEMBER 31, 1993	JUNE 30, 1993	JUNE 30, 1992
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND CONTENT PER VEHICLE DATA)					
OPERATING DATA:						
Net sales	$2,186.1	$1,508.9	$3,147.5	$1,950.3	$1,756.5	$1,422.7
Operating income	114.9	84.6	169.6	79.6	81.1	56.8
Net income (loss)(1)	45.9	27.7	59.8	(13.8)	10.1	(22.2)
Net income (loss) per share(1)	.92	.61	1.26	(.39)	.25	(.80)
BALANCE SHEET DATA:						
Total assets	$1,855.1	$1,217.2	$1,715.1	$1,114.3	$ 820.2	$ 799.9
Long-term debt	460.1	383.5	418.7	498.3	321.1	348.3
Stockholders' equity	246.5	184.0	213.6	43.2	75.1	49.4
OTHER DATA:						
EBITDA(2)	$ 152.0	$ 111.5	$ 225.7	$ 122.2	$ 121.8	$ 91.8
Capital expenditures	42.6	35.0	103.1	45.9	31.6	27.9
North American content per vehicle(3)	193	159	169	112	98	94
European content per vehicle(4)	90	38	48	38	37	21

---

(1) After extraordinary charges of $11.7 million and $5.1 million ($.33 and $.18 per share) for the fiscal years ended December 31, 1993 and June 30, 1992, respectively, relating to the early extinguishment of debt.

(2) "EBITDA" is operating income plus amortization and depreciation. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations as determined by generally accepted accounting principles.

(3) "North American content per vehicle" is the Company's net sales in North America divided by total North American vehicle production. "North American vehicle production" comprises car and light truck production in the United States, Canada and Mexico estimated by the Company from industry sources.

(4) "European content per vehicle" is the Company's net sales in Western Europe divided by total Western European vehicle production. "Western European vehicle production" comprises car and light truck production in Western Europe estimated by the Company from industry sources.

SUMMARY FINANCIAL DATA OF AUTOMOTIVE INDUSTRIES HOLDING, INC.

The following summary consolidated financial information and other data were derived from the consolidated financial statements of AIH. The consolidated financial statements of AIH for each fiscal year presented have been audited by Arthur Andersen LLP. The consolidated financial statements of AIH for the six months ended July 1, 1995 and July 2, 1994 are unaudited; however, in the opinion of AIH's management, they reflect all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the financial position and results of operations of such periods. The results for the six months ended July 1, 1995 are not necessarily indicative of the results to be expected for the full fiscal year. The summary financial data below should be read in conjunction with the other financial data of AIH included in this Prospectus, the consolidated financial statements of AIH and the notes thereto incorporated by reference in this Prospectus and "Management's Discussion and Analysis of Results of Operations of Automotive Industries Holding, Inc."

AUTOMOTIVE INDUSTRIES HOLDING, INC.

	AS OF OR FOR THE SIX MONTHS ENDED		AS OF OR FOR THE YEAR ENDED		
	JULY 1, 1995	JULY 2, 1994	DECEMBER 31, 1994	JANUARY 1, 1994	DECEMBER 26, 1992
	(DOLLARS IN MILLIONS)				
OPERATING DATA:					
Net sales	$ 377.1	$ 236.8	$512.8	$348.7	$272.4
Operating income	45.5	31.8	63.9	47.1	36.5
Net income(1)	21.9	16.8	32.7	24.0	6.9
BALANCE SHEET DATA:					
Total assets	$ 611.3	$ 461.0	$567.4	$338.5	$233.7
Long-term debt	221.1	154.0	216.9	93.8	75.8
Stockholders' equity	241.3	207.2	219.9	189.7	109.8
OTHER DATA:					
EBITDA	$ 60.4	$ 41.9	$ 85.8	$ 63.0	$ 48.6
Capital expenditures	30.8	18.6	40.5	22.4	8.9

---

(1) Net of a preferred stock dividend of $1.0 million and an extraordinary item relating to the early extinguishment of debt of $8.3 million in the fiscal year ended December 26, 1992.

SUMMARY PRO FORMA UNAUDITED CONSOLIDATED FINANCIAL DATA

The following summary pro forma unaudited consolidated financial and other data were derived from and should be read in conjunction with the pro forma unaudited consolidated financial data included elsewhere in this Prospectus. The following summary pro forma unaudited consolidated operating data of the Company were prepared to illustrate the estimated effects of (i) the AIH Acquisition (including the refinancing of certain debt of AIH with borrowings under a $1.5 billion secured revolving credit agreement with Chemical Bank and a syndicate of financial institutions (the "New Credit Agreement")), (ii) the FSB Acquisition, (iii) certain acquisitions completed by AIH prior to the acquisition of AIH by the Company, (iv) the initial public offering of Common Stock by the Company (the "IPO") and the application of the net proceeds therefrom in April 1994, (v) the refinancing of the Company's 14% Subordinated Debentures due 2000 (the "Subordinated Debentures") with its 8 1/4% Subordinated Notes due 2002, (vi) the refinancing of the Company's prior $500 million credit facility (the "Prior Credit Facility") with borrowings under the New Credit Agreement and (vii) the Offerings contemplated hereby and the application of the net proceeds to the Company therefrom to repay indebtedness incurred pursuant to the New Credit Agreement to finance the AIH Acquisition (collectively, the "Pro Forma Transactions"), as if the Pro Forma Transactions had occurred on January 1, 1994. The following summary pro forma unaudited consolidated balance sheet data were prepared as if the AIH Acquisition, the acquisition of Plastifol GmbH & Co. KG ("Plastifol") by AIH and the Offerings contemplated hereby and the application of the net proceeds therefrom to repay indebtedness incurred pursuant to the New Credit Agreement to finance the AIH Acquisition had occurred as of July 1, 1995. The following summary pro forma unaudited consolidated financial data do not purport to represent (i) the actual results of operations or financial condition of the Company had the Pro Forma Transactions occurred on the dates assumed or (ii) the results to be expected in the future.

	AS OF OR FOR THE SIX MONTHS ENDED JULY 1, 1995	AS OF OR FOR THE YEAR ENDED DECEMBER 31, 1994
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND CONTENT PER VEHICLE DATA)	
OPERATING DATA:		
Net sales	$2,612.3	$ 4,355.6
Operating income	164.1	227.1
Net income	56.7	59.4
Net income per share	.95	1.00
BALANCE SHEET DATA:		
Total assets	$2,954.2	
Long-term debt	1,116.0	
Stockholders' equity	519.9	
OTHER DATA:		
EBITDA	$ 222.6	$ 334.5
Capital expenditures	73.4	151.0
North American content per vehicle(1)	231	205

---

(1) "North American content per vehicle" is the Company's pro forma net sales in North America divided by total North American vehicle production. "North American vehicle production" comprises car and light truck production in the United States, Canada and Mexico estimated by the Company from industry sources.

RISK FACTORS

A potential investor should consider carefully all of the information contained in this Prospectus before deciding whether to purchase the Common Stock offered hereby and, in particular, should consider the following:

LEVERAGE

Substantially all the funds needed to finance the Company's recent acquisitions, including the FSB Acquisition and the AIH Acquisition, were raised through borrowings. As a result, the Company has debt that is substantial in relation to its stockholders' equity and a significant portion of the Company's cash flow from operations will be used to service its debt obligations. As of July 1, 1995, after giving effect to the Pro Forma Transactions, the Company had total debt of $1,140.8 million and stockholders' equity of $519.9 million, producing a total capitalization of $1,660.7 million, so that total debt as a percentage of total capitalization was 68.7%.

The Company's high leverage may have consequences, including the following: (i) the ability of the Company to obtain additional financing for working capital, capital expenditures and debt service requirements or other purposes may be impaired; (ii) the Company may be more highly leveraged than companies with which it competes, which may place it at a competitive disadvantage; and (iii) the Company may be more vulnerable in the event of a downturn in its business or in the economy generally. If the Company is unable to generate sufficient cash flow to service its debt obligations, it will have to adopt one or more alternatives, such as reducing or delaying planned expansion and capital expenditures, selling assets, restructuring debt or obtaining additional equity capital. There can be no assurance that any of these strategies could be effected on satisfactory terms.

In addition, because certain of the Company's obligations under the New Credit Agreement bear interest at floating rates, an increase in interest rates could adversely affect the Company's ability to service its debt obligations. As of July 1, 1995, the Company was not a party to any interest rate swaps or similar arrangements; however, in the future the Company may determine to enter into such arrangements with respect to all or a portion of its floating rate debt. Although any interest rate swaps or similar arrangements entered into by the Company would effectively cap or fix associated interest rates, such arrangements could have the effect of increasing total interest expense.

CYCLICAL NATURE OF AUTOMOTIVE INDUSTRY

The Company's principal operations are directly related to domestic and foreign automotive vehicle production. Automobile sales and production are cyclical and can be affected by the strength of a country's general economy and by other factors. A decline in automotive sales and production could result in a decline in the Company's sales.

RELIANCE ON MAJOR CUSTOMERS AND SELECTED CAR MODELS

Two of the Company's customers, Ford and General Motors, accounted for approximately 39% and 36%, respectively, of the Company's net sales during fiscal 1994. After giving effect to the AIH Acquisition and the FSB Acquisition, sales to Ford and General Motors will continue to represent a similar substantial portion of the Company's total sales. Although the Company has purchase orders from many of its customers, such purchase orders generally provide for supplying the customers' annual requirements for a particular model or assembly plant, renewable on a year-to-year basis, rather than for manufacturing a specific quantity of products. In addition, certain of the Company's manufacturing and assembly plants are dedicated to a single customer's automobile assembly plant. The customer's decision to close any such plant would require the Company to obtain alternate supply agreements, relocate existing business to such facility or close such facility. To date, neither model discontinuances nor plant closings have had a material adverse effect on the Company because of the breadth of the Company's product lines and the ability of the Company to relocate its facilities with minimal capital expenditures. There can be no assurances that the Company's loss of business

with respect to either a particular automobile model or a particular assembly plant would not have a material adverse effect on the Company's results of operations or financial condition in the future.

There is substantial and continuing pressure from the major OEMs to reduce costs, including costs associated with outside suppliers such as the Company. Management believes that the Company's ability to develop new products and to control its own costs, many of which are variable, will allow the Company to remain competitive. However, there can be no assurance that the Company will be able to improve or maintain its gross margins.

CONTROL BY LEHMAN BROTHERS HOLDINGS INC.

Certain merchant banking partnerships (the "Lehman Funds") affiliated with Lehman Brothers Holdings Inc. own an aggregate of approximately 56% of the outstanding Common Stock. Upon the closing of the Offerings, in which they will participate as Selling Stockholders, the Lehman Funds will own an aggregate of approximately 39% of the outstanding Common Stock (in each case, assuming no Options are exercised and the Underwriters' over-allotment option is not exercised). Pursuant to an agreement with Lehman Brothers Holdings Inc., The Cypress Group L.L.C. provides consulting services to Lehman Brothers Holdings Inc. with respect to the management of the equity investments of the Lehman Funds, including the Lehman Funds' investment in Lear. After the Offerings, employees of Lehman Brothers Holdings Inc. and The Cypress Group L.L.C. will continue to occupy five of the ten seats on the Company's Board of Directors. As a result of their stock ownership and representation on the Company's Board of Directors, the Lehman Funds have the ability to control the affairs and policies of the Company.

RESTRICTIONS ON DIVIDENDS

The Company's ability to pay dividends to holders of Common Stock is limited under the terms of the New Credit Agreement and of the indentures (the "Indentures") governing its 11 1/4% Senior Subordinated Notes due 2000 (the "Senior Subordinated Notes") and its 8 1/4% Subordinated Notes due 2002 (the "Subordinated Notes"). The Company does not intend to pay any cash dividends in the foreseeable future. See "Common Stock Price Range and Dividends."

FOREIGN EXCHANGE RISK

As a result of recent acquisitions, including the acquisitions of the primary automotive seat systems supplier to Fiat S.p.A. ("FSB"), John Cotton Limited and Plastifol, and the Company's business strategy, which includes plans for the global expansion of its operations, a significant portion of the Company's revenues and expenses are denominated in currencies other than U.S. dollars. Changes in exchange rates therefore may have a significant effect on the Company's results of operations and financial condition.

ANTI-TAKEOVER PROVISIONS

Certain provisions of the Company's Restated Certificate of Incorporation and by-laws, as well as provisions of the Delaware General Corporation Law, may have the effect of delaying, deterring or preventing transactions involving a change of control of the Company, including transactions in which stockholders might otherwise receive a substantial premium for their shares over then current market prices, and may limit the ability of stockholders to approve transactions that they may deem to be in their best interests. For example, under the Restated Certificate of Incorporation, the Board of Directors is authorized to issue one or more classes of preferred stock having such designations, rights and preferences as may be determined by the Board of Directors. In addition, the Board of Directors is divided into three classes, each having a term of three years, with the term of one class expiring each year. A director may be removed from office only for cause. These provisions could delay the replacement of a majority of the Board of Directors and have the effect of making changes in the Board of Directors more difficult than if such provisions were not in place. Further, Section 203 of the Delaware General Corporation Law restricts certain business combinations with any "interested stockholder" as defined in such law. The current stockholders of the Company are not, by virtue of their current holdings, deemed to be "interested stockholders" under this statute. This statute also may delay, deter or prevent a change of control of the Company. See "Description of Capital Stock" for additional information regarding these and certain other anti-takeover provisions adopted by the Company.

USE OF PROCEEDS

All the net proceeds to the Company from the Offerings will be used to repay a portion of the indebtedness outstanding under the New Credit Agreement which was incurred to finance the AIH Acquisition, bearing a rate of interest as of August 31, 1995 of approximately 6.9%. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company -- Liquidity and Capital Resources." The Company will not receive any proceeds from the sale of Common Stock by the Selling Stockholders.

COMMON STOCK PRICE RANGE AND DIVIDENDS

The Common Stock is listed for trading on the New York Stock Exchange under the symbol "LEA." The following table sets forth the high and low sale prices of the Common Stock as reported on the New York Stock Exchange for the fiscal periods indicated:

	HIGH	LOW
1994:		
Second Quarter	$20 1/4	$16 1/4
Third Quarter	19 5/8	16
Fourth Quarter	22 1/8	17
1995:		
First Quarter	20 7/8	16 5/8
Second Quarter	24 1/4	17 7/8
Third Quarter (through August 31, 1995)	29 3/8	23

The reported last sale price of the Common Stock on the New York Stock Exchange Composite Tape as of a recent date is set forth on the cover page of this Prospectus.

As of July 15, 1995, there were 243 holders of record of the outstanding Common Stock and the Company estimates that, at such date, there were approximately 4,500 beneficial holders.

The Company has never paid dividends on its Common Stock. Any future payment of dividends is subject to the discretion of the Company's Board of Directors, which may consider the Company's earnings and financial condition and such other factors as it deems relevant. In addition, the New Credit Agreement and the Indentures contain certain restrictions on the Company's payment of dividends. The Company does not intend to pay any cash dividends in the foreseeable future.

CAPITALIZATION

The following table sets forth the capitalization of the Company at July 1, 1995, after giving effect on a pro forma basis to the AIH Acquisition and the incurrence of indebtedness under the New Credit Agreement to finance such acquisition, and as adjusted to reflect the Offerings contemplated hereby and the application of the net proceeds to the Company therefrom. See "Use of Proceeds" and "Pro Forma Financial Data."

	AS OF JULY 1, 1995		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED
	(DOLLARS IN MILLIONS)		
Short-term debt:			
Short-term borrowings	$ 19.2	$ 19.2	$ 19.2
Current maturities of long-term debt	1.7	5.6 (1)	5.6
Total short-term debt	20.9	24.8	24.8
Long-term debt, less current portion:			
Term loans	5.8	5.8	5.8
Revolving credit loans	160.0	1,073.8 (2)	799.6(5)
Loans from governmental agencies	24.3	27.2 (1)	27.2
Other, including long-term notes payable and capital lease obligations	--	13.4 (1)	13.4
11 1/4% Senior Subordinated Notes due 2000	125.0	125.0	125.0
8 1/4% Subordinated Notes due 2002	145.0	145.0	145.0
Total long-term debt, less current portion	460.1	1,390.2	1,116.0
Stockholders' equity:			
Common stock, par value $.01 per share; 150,000,000 shares authorized, 46,142,594 shares issued (56,142,594 after adjustment for the Offerings)	.5	.5	.6(6)
Additional paid-in capital	274.4	276.3 (3)	550.4(6)
Notes receivable from sale of Common Stock	(1.0)	(1.0)	(1.0)
Treasury stock, 10,230 shares of Common Stock	(.1)	(.1)	(.1)
Retained deficit	(3.6)	(6.3)(4)	(6.3)
Cumulative translation adjustment	(17.9)	(17.9)	(17.9)
Minimum pension liability adjustment	(5.8)	(5.8)	(5.8)
Total stockholders' equity	246.5	245.7	519.9
Total capitalization	$727.5	$1,660.7	$ 1,660.7

---

(1) Reflects debt assumed in connection with the AIH Acquisition.

(2) Reflects borrowings under the New Credit Agreement of: (i) $623.8 million to purchase all the common stock of AIH, (ii) $262.1 million to retire certain debt assumed in connection with the AIH Acquisition, and (iii) $27.9 million to pay estimated fees and expenses related to the AIH Acquisition and the refinancing of the Prior Credit Facility.

(3) Reflects the issuance of options originally granted under the Automotive Industries Holding, Inc. 1992 Key Employee Stock Option Plan which were converted into options to purchase Common Stock in connection with the AIH Acquisition (the "AIH Option Conversion").

(4) Reflects the write-off of deferred finance fees of $4.2 million related to the refinancing of the Prior Credit Facility, net of the tax benefit of these expenses of $1.5 million.

(5) Reflects the application of the net proceeds of the Offerings to the Company to repay indebtedness under the New Credit Agreement.

(6) Reflects issuance of 10 million shares in the Offerings at $28 5/8 per share, the reported last sale price of the Common Stock on the New York Stock Exchange Composite Tape as of August 31, 1995, net of $12.0 million in estimated fees and expenses.

PRO FORMA FINANCIAL DATA

The following pro forma unaudited consolidated statements of operations of the Company were prepared to illustrate the estimated effects of (i) the AIH Acquisition (including the refinancing of certain debt of AIH pursuant to the New Credit Agreement), (ii) the FSB Acquisition, (iii) certain acquisitions completed by AIH prior to the acquisition of AIH by the Company, (iv) the initial public offering of Common Stock by the Company (the "IPO") and the application of the net proceeds therefrom in April 1994, (v) the refinancing of the Subordinated Debentures with the net proceeds from the issuance of the Subordinated Notes, (vi) the refinancing of the Prior Credit Facility with borrowings under the New Credit Agreement and (vii) the Offerings contemplated hereby and the application of the net proceeds to the Company therefrom to repay indebtedness incurred pursuant to the New Credit Agreement to finance the AIH Acquisition (collectively, the "Pro Forma Transactions"), as if the Pro Forma Transactions had occurred on January 1, 1994.

The following pro forma unaudited consolidated balance sheet (collectively with the pro forma unaudited consolidated statements of operations, the "Pro Forma Statements") was prepared as if the AIH Acquisition, the acquisition of Plastifol by AIH and the Offerings contemplated hereby and the application of the net proceeds therefrom to repay indebtedness incurred pursuant to the New Credit Agreement to finance the AIH Acquisition had occurred as of July 1, 1995.

The Pro Forma Statements do not purport to represent (i) the actual results of operations or financial position of the Company had the Pro Forma Transactions occurred on the dates assumed or (ii) the results to be expected in the future.

The pro forma adjustments are based upon available information and upon certain assumptions that management believes are reasonable. The Pro Forma Statements and accompanying notes should be read in conjunction with the historical financial statements of the Company, AIH, FSB and Plastifol, including the notes thereto, and the other financial information pertaining to the Company, AIH, FSB and Plastifol, including the information set forth in "Capitalization" and related notes thereto, included elsewhere or incorporated by reference in this Prospectus.

PRO FORMA UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

SIX MONTHS ENDED JULY 1, 1995

	LEAR HISTORICAL	AIH HISTORICAL(1)	AIH ACQUISITIONS HISTORICAL(2)	AIH ADJUSTMENTS(3)	AIH PRO FORMA	OPERATING AND FINANCING ADJUSTMENTS	PRO FORMA
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)						
Net sales	$ 2,186.1	$ 377.1	$ 49.1	$ --	$ 426.2	$ --	$2,612.3
Cost of sales	2,014.7	304.1	36.4	--	340.5	--	2,355.2
Gross profit	171.4	73.0	12.7	--	85.7	--	257.1
Selling, general and administrative expenses	50.1	24.9	4.2	--	29.1	(0.4)(4)	78.8
Amortization	6.4	2.6	--	.5	3.1	4.7(5)	14.2
Operating income	114.9	45.5	8.5	(.5)	53.5	(4.3)	164.1
Interest expense	28.5	9.0	--	2.1	11.1	13.8(6)	53.4
Other expense, net	5.8	--	--	--	--	--	5.8
Income before income taxes	80.6	36.5	8.5	(2.6)	42.4	(18.1)	104.9
Income taxes	34.7	14.6	4.3	(.7)	18.2	(4.7)(7)	48.2
Net income	$ 45.9	$ 21.9	$ 4.2	$ (1.9)	$ 24.2	$ (13.4)	$ 56.7
Net income per share	$ .92						$ .95
Weighted average shares outstanding (in millions)	49.6					10.1(8)	59.7

PRO FORMA UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1994

	LEAR HISTORICAL	FSB HISTORICAL(9)	FSB ADJUSTMENTS(10)	LEAR/FSB PRO FORMA	AIH HISTORICAL(1)	AIH ACQUISITIONS HISTORICAL(2)	AIH ADJUSTMENTS(3)	AIH PRO FORMA
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)							
Net sales	$3,147.5	$ 451.1	$ 4.8	$3,603.4	$512.8	$239.4	$ --	$752.2
Cost of sales	2,883.9	443.9	(1.0)	3,326.8	408.9	210.7	(1.8)	617.8
Gross profit	263.6	7.2	5.8	276.6	103.9	28.7	1.8	134.4
Selling, general and administrative expenses	82.6	31.5	(5.5)	108.6	35.3	14.4	(2.9)	46.8
Amortization	11.4	--	2.0	13.4	4.7	--	1.5	6.2
Operating income (loss)	169.6	(24.3)	9.3	154.6	63.9	14.3	3.2	81.4
Interest expense	46.7	5.3	4.4	56.4	9.3	(.3)	8.7	17.7
Other expense (income), net	8.1	.8	--	8.9	--	(.2)	.3	.1
Income (loss) before income taxes	114.8	(30.4)	4.9	89.3	54.6	14.8	(5.8)	63.6
Income taxes	55.0	.2	(1.5)	53.7	21.9	3.5	(1.7)	23.7
Net income (loss)	$ 59.8	$(30.6)	$ 6.4	$ 35.6	$ 32.7	$ 11.3	$ (4.1)	$ 39.9
Net income per share	$ 1.26							
Weighted average shares outstanding (in millions)	47.4							

	LEAR/FSB PRO FORMA	AIH PRO FORMA	OPERATING AND FINANCING ADJUSTMENTS	PRO FORMA
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)			
Net sales	$3,603.4	$752.2	$ --	$4,355.6
Cost of sales	3,326.8	617.8	--	3,944.6
Gross profit	276.6	134.4	--	411.0
Selling, general and administrative expenses	108.6	46.8	(.6)(4)	154.8
Amortization	13.4	6.2	9.5 (5)	29.1
Operating income	154.6	81.4	(8.9)	227.1
Interest expense	56.4	17.7	10.8 (6)	84.9
Other expense, net	8.9	.1	--	9.0
Income before income taxes	89.3	63.6	(19.7)	133.2
Income taxes	53.7	23.7	(3.6)(7)	73.8
Net income	$ 35.6	$ 39.9	$(16.1)	$ 59.4
Net income per share				$ 1.00
Weighted average shares outstanding (in millions)			12.2 (8)	59.6

---

(1) The AIH Historical information represents the audited results of operations for the year ended December 31, 1994 and the unaudited results of operations for the six months ended July 1, 1995.

(2) The AIH Acquisitions Historical information reflects the combined results of operations for three companies acquired by AIH prior to their respective acquisitions by AIH. The AIH Acquisitions Historical information for the year ended December 31, 1994 reflects the results of operations of (i) John Cotton Limited ("Cotton") headquartered in Manchester, England and acquired in May 1994, (ii) the Gulfstream Division of O'Sullivan Corporation ("Gulfstream") located in Ohio and Virginia and acquired in December 1994, and (iii) Plastifol headquartered in Ebersberg, Germany and acquired in July 1995. The AIH Acquisitions Historical information for the six months ended July 1, 1995 reflects the results of operations of Plastifol.

(3) The AIH Adjustments information with respect to the Cotton, Gulfstream and Plastifol acquisitions represents (i) adjustments to depreciation expense due to the revaluation of assets; (ii) reclassifications needed to present information on a basis that is consistent with the AIH Historical information; (iii) the elimination of management fees charged by a previous owner of Gulfstream; (iv) interest on borrowings by AIH to finance the acquisitions; and (v) the related income tax effects.

(4) Represents the elimination of certain management fees charged to AIH by an affiliate of AIH which ceased to be payable upon the completion of the AIH Acquisition.

(5) The adjustment to goodwill for the AIH Acquisition represents the following:

	SIX MONTHS ENDED JULY 1, 1995	YEAR ENDED DECEMBER 31, 1994
	(DOLLARS IN MILLIONS)	
Amortization of goodwill from the AIH Acquisition	$ 7.3	$14.7
Elimination of the historical goodwill amortization of AIH	(2.6)	(5.2)
	$ 4.7	$ 9.5

(6) Reflects interest expense changes as follows:

	SIX MONTHS ENDED JULY 1, 1995	YEAR ENDED DECEMBER 31, 1994
	(DOLLARS IN MILLIONS)	
Reduction of interest due to application of the proceeds from the Offerings	$ (9.9)	$ (14.0)
Estimated interest on borrowings to finance the AIH Acquisition at interest rates of 7.2% in the first six months of 1995 and 5.1% for the year ended December 31, 1994	32.6	46.2
Elimination of interest on AIH debt being refinanced	(10.1)	(18.6)
Reduction in interest due to application of proceeds from the IPO	--	(1.2)
Elimination of interest on the Subordinated Debentures	--	(3.3)
Interest on the Subordinated Notes	--	1.1
Interest on borrowings to finance fees and expenses related to the New Credit Agreement	.3	.5
Change in commitment fees due to increased availability under the New Credit Agreement	.4	.9
Change in interest expense due to rate differences between the Prior Credit Facility and the New Credit Agreement	.2	(1.6)
Change in deferred finance fees due to the refinancing of the Prior Credit Facility and the issuance of the Subordinated Notes	.3	.8
	$ 13.8	$ 10.8

(7) Reflects the income tax effects of the operating and financing adjustments.

(8) Reflects the issuance of 10 million shares of Common Stock pursuant to the Offerings, the effect on weighted average shares outstanding of the AIH Option Conversion and the effect on weighted average shares outstanding had the IPO occurred on January 1, 1994.

(9) The FSB Historical information for the year ended December 31, 1994 represents the results of operations of FSB translated from lira to U.S. dollars at an average exchange rate of 1,611 lira to one U.S. dollar.

(10) The FSB Adjustments information represents (i) management's estimates of the effects of product pricing adjustments negotiated in connection with the FSB Acquisition of $4.8 million; (ii) the elimination of certain costs being assumed by the seller of $1.5 million; (iii) an increase in depreciation expense due to the revaluation of the assets of $.5 million; (iv) on-going savings of $3.5 million as a result of consolidating technical centers; (v) the elimination of management fees charged by the parent of the seller of $2.0 million; (vi) amortization of goodwill as a result of the FSB Acquisition of $2.0 million; (vii) an increase in interest expense to finance the FSB Acquisition of $4.4 million; and (viii) the related income tax effects of $1.5 million. The results from operations of FSB for the six months ended July 1, 1995 are included in the historical results of the Company.

PRO FORMA UNAUDITED CONSOLIDATED BALANCE SHEET

AS OF JULY 1, 1995

	LEAR HISTORICAL	AIH HISTORICAL	AIH ACQUISITIONS(1)	AIH ADJUSTED	ACQUISITION AND VALUATION OF AIH(2)	OPERATING AND FINANCING ADJUSTMENTS	PRO FORMA
			(DOLLARS IN MILLIONS)				
ASSETS							
Current Assets:							
Cash	$ 53.0	$ --	$ --	$ --	$(904.3)	$904.3(3)	$ 53.0
Accounts receivable, net	700.2	123.2	9.8	133.0	--	--	833.2
Inventories	111.0	42.0	4.8	46.8	--	--	157.8
Other current assets	94.9	40.6	0.4	41.0	--	--	135.9
	959.1	205.8	15.0	220.8	(904.3)	904.3	1,179.9
Property, Plant and Equipment, net	363.9	233.4	21.3	254.7	--	--	618.6
Other Assets:							
Goodwill and other intangibles, net	494.4	146.4	39.1	185.5	404.0	--	1,083.9
Deferred finance fees and other	37.7	25.7	3.1	28.8	--	5.3(4)	71.8
	532.1	172.1	42.2	214.3	404.0	5.3	1,155.7
	$1,855.1	$611.3	$ 78.5	$689.8	$(500.3)	$909.6	$2,954.2
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities:							
Short-term borrowings	$ 19.2	$ --	$ --	$ --	$ --	$ --	$ 19.2
Cash overdrafts	55.2	--	--	--	--	--	55.2
Accounts payable	766.0	75.4	5.2	80.6	--	--	846.6
Accrued liabilities	199.5	38.3	5.4	43.7	--	(1.5)(4)	241.7
Current portion of long-term debt	1.7	3.9	--	3.9	--	--	5.6
	1,041.6	117.6	10.6	128.2	--	(1.5)	1,168.3
Long-Term Liabilities:							
Long-term debt	460.1	221.1	60.0	281.1	(264.8)	639.6 (5)	1,116.0
Deferred national income taxes	24.3	4.4	7.9	12.3	--	--	36.6
Other	82.6	26.9	--	26.9	3.9	--	113.4
	567.0	252.4	67.9	320.3	(260.9)	639.6	1,266.0
Stockholders' Equity	246.5	241.3	--	241.3	(239.4)	271.5 (6)	519.9
	$1,855.1	$611.3	$78.5	$689.8	$ (500.3)	$909.6	$2,954.2

---

(1) Represents the allocation of the purchase price to net assets of Plastifol which was acquired by AIH in July 1995.

(2) Assumes a purchase price of $926.4 million which consists of: (i) $625.7 million to purchase all of the common stock of AIH ($623.8 million in cash and $1.9 million in stock options granted pursuant to the AIH Option Conversion), (ii) $282.3 million of debt assumed in connection with the AIH Acquisition, and (iii) $18.4 million to estimated pay fees and expenses related to the AIH Acquisition. The AIH Acquisition was accounted for using the purchase method of accounting and the total purchase cost was allocated first to assets and liabilities based on their respective fair values, with the remainder allocated to goodwill. The allocation of the purchase price above is based on historical costs and management's estimates which may differ from the final allocation.

(3) Reflects proceeds of borrowings under the New Credit Agreement of $904.3 million.

(4) Reflects the capitalization of fees incurred in establishing the New Credit Agreement of $9.5 million, net of the unamortized portion of fees from the Prior Credit Facility of $4.2 million being written-off. Also reflects the related income tax benefit of $1.5 million from the write-off.

(5) Reflects borrowings under the New Credit Agreement of $913.8 million to finance the AIH purchase price and fees and expenses incurred to establish the New Credit Agreement, reduced by the net proceeds of the Offerings of

$274.2 million.

(6) Reflects issuance of the 10 million shares pursuant to the Offerings at $28 5/8 per share, the reported last sale price of the Common Stock on the New York Stock Exchange Composite Tape on August 31, 1995, net of $12.0 million in fees and expenses and the write-off of deferred finance fees, net of income taxes, of $2.7 million related to the refinancing of the Prior Credit Facility.

SELECTED FINANCIAL DATA OF THE COMPANY

The following income statement and balance sheet data were derived from the consolidated financial statements of the Company. The consolidated financial statements of the Company for each of the fiscal years ended December 31, 1994 and 1993 and June 30, 1993, 1992, 1991 and 1990 have been audited by Arthur Andersen LLP. The consolidated financial statements of the Company for the six months ended July 1, 1995 and July 2, 1994 are unaudited; however, in the Company's opinion, they reflect all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the financial position and results of operations of such periods. The results for the six months ended July 1, 1995 are not necessarily indicative of the results to be expected for the full fiscal year. The selected financial data below should be read in conjunction with the consolidated financial statements of the Company and the notes thereto incorporated by reference in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company."

LEAR SEATING CORPORATION

	AS OF OR FOR THE SIX MONTHS ENDED		AS OF OR FOR THE YEAR ENDED					
	JULY 1, 1995	JULY 2, 1994	DECEMBER 31, 1994	DECEMBER 31, 1993	JUNE 30, 1993	JUNE 30, 1992	JUNE 30, 1991	JUNE 30, 1990
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND CONTENT PER VEHICLE DATA)							
OPERATING DATA:								
Net sales	$2,186.1	$1,508.9	$3,147.5	$1,950.3	$1,756.5	$1,422.7	$1,085.3	$1,067.9
Gross profit	171.4	128.6	263.6	170.2	152.5	115.6	101.4	104.7
Selling, general and administrative expenses	50.1	38.3	82.6	62.7	61.9	50.1	41.6	28.2
Incentive stock and other compensation expense	--	--	--	18.0	--	--	1.3	1.4
Amortization	6.4	5.7	11.4	9.9	9.5	8.7	13.8	13.8
Operating income	114.9	84.6	169.6	79.6	81.1	56.8	44.7	61.3
Interest expense(1)	28.5	25.0	46.7	45.6	47.8	55.2	61.7	61.2
Other expense, net(2)	5.8	4.6	8.1	9.2	5.4	5.8	2.2	4.1
Income (loss) before income taxes and extraordinary items	80.6	55.0	114.8	24.8	27.9	(4.2)	(19.2)	(4.0)
Income taxes	34.7	27.3	55.0	26.9	17.8	12.9	14.0	16.6
Net income (loss) before extraordinary items	45.9	27.7	59.8	(2.1)	10.1	(17.1)	(33.2)	(20.6)
Extraordinary items	--	--	--	(11.7)	--	(5.1)	--	--
Net income (loss)	$ 45.9	$ 27.7	$ 59.8	$ (13.8)	$ 10.1	$ (22.2)	$ (33.2)	$ (20.6)
Net income (loss) per share before extraordinary items	$ .92	$ .61	$ 1.26	$ (.06)	$ .25	$ (.62)	$ (2.01)	$ (1.25)
Net income (loss) per share	$ .92	$ .61	$ 1.26	$ (.39)	$ .25	$ (.80)	$ (2.01)	$ (1.25)
Weighted average shares outstanding (in millions)	49.6	45.6	47.4	35.5	40.0	27.8	16.5	16.5
BALANCE SHEET DATA:								
Current assets	$ 959.1	$ 557.2	$ 818.3	$ 433.6	$ 325.2	$ 282.9	$ 213.8	$ 223.2
Total assets	1,855.1	1,217.2	1,715.1	1,114.3	820.2	799.9	729.7	747.6
Current liabilities	1,041.6	593.4	981.2	505.8	375.0	344.2	287.1	254.5
Long-term debt	460.1	383.5	418.7	498.3	321.1	348.3	386.7	402.8
Stockholders' equity	246.5	184.0	213.6	43.2	75.1	49.4	4.4	35.3
OTHER DATA:								
EBITDA(3)	$ 152.0	$ 111.5	$ 225.7	$ 122.2	$ 121.8	$ 91.8	$ 81.4	$ 94.3
Capital expenditures	$ 42.6	$ 35.0	$ 103.1	$ 45.9	$ 31.6	$ 27.9	$ 20.9	$ 14.9
North American content per vehicle(4)	$ 193	$ 159	$ 169	$ 112	$ 98	$ 94	$ 84	$ 77
European content per vehicle(5)	$ 90	$ 38	$ 48	$ 38	$ 37	$ 21	$ 11	$ 8
Inventory turnover ratio(6)			36.0	36.0	36.7	30.3	25.6	27.4

---

(1) Includes non-cash charges for amortization of deferred financing fees of approximately $1.2 million, $1.2 million, $2.4 million, $2.6 million, $3.0 million, $3.2 million, $4.1 million and $4.5 million for the six months ended July 1, 1995 and July 2, 1994 and for each of the years ended December 31, 1994 and 1993 and June 30, 1993 through June 30, 1990, respectively.

(2) Consists of foreign currency exchange gain or loss, minority interest in net income of subsidiaries, equity in (income) loss of affiliates, state and local taxes and other expense.

(3) "EBITDA" is operating income plus amortization and depreciation. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations as determined by generally accepted accounting principles.

(4) "North American content per vehicle" is the Company's net sales in North America divided by total North American vehicle production. "North American vehicle production" comprises car and light truck production in the United States, Canada and Mexico estimated by the Company from industry sources.

(5) "European content per vehicle" is the Company's net sales in Western Europe divided by total Western European vehicle production. "Western European vehicle production" comprises car and light truck production in Western Europe estimated by the Company from industry sources.

(6) "Inventory turnover ratio" is cost of goods sold divided by average inventory. The inventory turnover ratios for the years ended December 31, 1994 and December 31, 1993 exclude the effects of the FSB Acquisition and the NAB Acquisition, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE COMPANY

RESULTS OF OPERATIONS

Lear's sales have grown rapidly, both internally and through acquisitions, from approximately $159.8 million in the fiscal year ended June 30, 1983 to approximately $3.1 billion in the year ended December 31, 1994, a compound annual growth rate of approximately 30%. As a result of this growth, the Company has experienced substantial upfront costs for new programs and new facilities. Such expenses consist of administrative expenses and engineering and design expenses for new seating programs, including pre-production expenses and inefficiencies incurred until the customer reaches normal operating levels. The Company expenses such non-recurring pre-production expenses as they are incurred.

The Company's performance is dependent on automotive vehicle production, which is seasonal in nature. The third calendar quarter is historically the weakest vehicle production quarter due to the impact of plant shutdowns for vacation and model changeovers which affect automotive production in both North America and Europe. See Note 19 to the consolidated financial statements of the Company incorporated by reference in this Prospectus.

In February 1994, the Company changed its fiscal year end from June 30 to December 31, effective December 31, 1993.

The following chart shows operating results of the Company by principal geographic area.

GEOGRAPHIC OPERATING RESULTS

	SIX MONTHS ENDED		YEAR ENDED			
	JULY 1, 1995	JULY 2, 1994	DECEMBER 31, 1994	DECEMBER 31, 1993	JUNE 30, 1993	JUNE 30, 1992
	(DOLLARS IN MILLIONS)					
NET SALES:						
United States	$1,001.4	$ 968.0	$1,805.3	$ 981.2	$ 765.7	$ 597.1
Canada	445.7	198.9	573.4	375.8	372.0	403.3
Europe	625.0	241.2	572.5	403.8	432.5	268.2
Mexico and other	114.0	100.8	196.3	189.5	186.3	154.1
Net sales	$2,186.1	$ 1,508.9	$3,147.5	$1,950.3	$1,756.5	$1,422.7
OPERATING INCOME (LOSS):						
United States	$ 53.9	$ 70.0	$ 109.3	$ 61.3	$ 51.8	$ 32.0
Canada	49.8	5.4	46.3	25.6	15.3	14.7
Europe	2.0	2.7	4.4	(9.6)	(3.9)	3.0
Mexico and other	9.2	6.5	9.6	20.3	17.9	7.1
Unallocated corporate expense(1)	--	--	--	(18.0)	--	--
Operating income	$ 114.9	$ 84.6	$ 169.6	$ 79.6	$ 81.1	$ 56.8

---

(1) Unallocated corporate expense consists of incentive stock option expense and other one-time compensation expense.

Six Months Ended July 1, 1995 Compared With Six Months Ended July 2, 1994

Net sales increased by 44.9% to $2,186.1 million in the first six months of 1995 as compared to $1,508.9 million in the first six months of 1994. Sales for the six month period ended July 1, 1995 benefited from incremental volume on mature seating programs in North America and Europe, new business in the United States and Europe and the FSB Acquisition in December 1994. For the first six months of 1995, FSB accounted for 9.9% of the Company's net sales.

Gross profit (net sales less cost of sales) and gross margin (gross profit as a percentage of net sales) were $171.4 million and 7.8%, respectively, for the six month period ended July 1, 1995 as compared to $128.6 and 8.5%, respectively, for the comparable period in the prior year. Gross profit in the first six months of 1995 surpassed gross profit for the first six months of 1994 due to increased production volumes on passenger car and truck seat programs by domestic and foreign automotive manufacturers. The increase in gross profit was offset by, and the lower gross margin resulted from, new program start-up expenses in North America, low profitability at FSB, increased engineering costs and pre-production and facility expenses associated with new foreign ventures.

Selling, general and administrative expenses for the six months ended July 1, 1995 decreased as a percentage of net sales to 2.3% from 2.5% in the comparable period in the prior year. The increase in actual expenditures from $38.3 million to $50.1 million was largely the result of the FSB Acquisition, administrative support expenses and design and development costs associated with the expansion of business and expenses related to new business opportunities.

Operating income and operating margin (operating income as a percentage of sales) were $114.9 million and 5.3%, respectively, for the first six months of 1995 as compared to $84.6 million and 5.6%, respectively, for the first six months of 1994. The growth in operating income was primarily due to incremental volume on new and mature seat programs in the United States, Canada and Europe and improved performance in Mexico. Partially offsetting the increase in operating income were increased engineering and support expenses, costs associated with recently opened facilities in North America and losses related to FSB's operations. Non-cash depreciation and amortization charges were $37.1 million and $26.9 million for the first half of the current and prior years, respectively. During the six month period ended July 1, 1995, interest expense increased to $28.5 million as compared to $25.0 million in the six month period ended July 2, 1994. The increase is primarily due to the additional debt incurred to finance the FSB Acquisition in addition to slightly higher interest rates under the Prior Credit Facility.

Primarily as a result of foreign currency exchange fluctuations, other expense, including state and local taxes, foreign exchange, minority interests and equity in income of affiliates, increased in comparison to the prior period.

During the six months ended July 1, 1995, the provision for income taxes was $34.7 million or 43.1% of pre-tax income as compared to $27.3 million or 49.6% of pre-tax income in the six month period ended July 2, 1994. The decrease in the rate compared to the previous period is due primarily to changes in operating performance and related income levels among the various tax jurisdictions.

Year Ended December 31, 1994 Compared With Year Ended December 31, 1993

Net sales of $3,147.5 million in the year ended December 31, 1994 represents the thirteenth consecutive year of record sales and surpassed sales of $1,950.3 million in the year ended December 31, 1993 by $1,197.2 million or 61.4%. Sales in 1994 benefited from internal growth from new programs and increased seat content per vehicle, higher automotive production in the United States and Europe and the NAB Acquisition, which accounted for $421.0 million of the increase.

Gross profit and gross margin were $263.6 million and 8.4%, respectively, in the year ended December 31, 1994 as compared to $170.2 million and 8.7%, respectively, in the year ended December 31, 1993. Gross profit in 1994 surpassed gross profit in 1993 due to the benefit of higher sales volume, including the effect of the NAB Acquisition and the Company's cost reduction programs.

Partially offsetting the increase in gross profit were $23.1 million of expense for engineering and pre-production costs for new facilities in the United States, Canada and Europe, lower margin contribution in Mexico and the $3.9 million increase in postretirement health care expenses (SFAS 106). Selling, general and administrative expenses as a percentage of net sales declined to 2.6% for the year ended December 31, 1994 as compared to 3.2% in the prior year. The increase in actual expenditures was largely the result of administrative support expenses and research and development costs associated with the expansion of domestic and foreign business and expenses related to new business opportunities.

Operating income and operating margin were $169.6 million and 5.4%, respectively, in the year ended December 31, 1994 and $79.6 million and 4.1%, respectively, in the year ended December 31, 1993. The 113.1% increase in operating income was attributable to the benefits of higher sales volume, including the effect of the NAB Acquisition, non-recurring incentive stock and other compensation expense of $18.0 million in 1993 and the Company's cost reduction programs.

Partially offsetting the increase in operating income were new facility and engineering costs for future seat programs, reduced margins in Mexico and the effect of the adoption of SFAS 106. Non-cash depreciation and amortization charges were $56.1 million and $42.6 million, respectively, for the years ended December 31, 1994 and 1993. Other expense for the year ended December 31, 1994, including state and local taxes, foreign exchange gains and losses, minority interests and equity in income of affiliates, decreased in comparison to the prior year as the non-recurring write-off of equipment associated with a discontinued program in Germany and non-seating related assets in the United States, along with a foreign exchange gain, offset state and local tax expense associated with the NAB Acquisition. Interest expense in 1994 increased in relation to 1993 as additional debt incurred to finance the NAB Acquisition and higher short-term interest expense in Europe offset the benefits derived from the refinancing of subordinated debt at a lower interest rate and the Company's IPO in April 1994.

Net income for the year ended December 31, 1994 was $59.8 million, or $1.26 per share, as compared to a net loss of $13.8 million, or $.39 per share, realized in the year ended December 31, 1993. The net income of $59.8 million in 1994 reflects a $55.0 million provision for national income taxes of which $26.0 million relates to foreign operations. Further contributing to the improvement in 1994 net income was the extraordinary expense in 1993 of $11.7 million for the early extinguishment of debt.

United States Operations

Net sales in the United States increased by 84.0% from $981.2 million in the year ended December 31, 1993 to $1,805.3 million for the year ended December 31, 1994. Sales for the year ended December 31, 1994 benefited from the full year contribution of the NAB Acquisition, vehicle production increases on mature seating programs, incremental volume on new Chrysler truck and Ford passenger car programs and sales generated by a lead vendor program under which the Company assumed management of components for a seat program with Ford.

Operating income and operating margin were $109.3 million and 6.1%, respectively, in the year ended December 31, 1994 and $61.3 million and 6.2%, respectively, in the year ended December 31, 1993. Operating income in 1994 as compared to the prior year benefited from the NAB Acquisition, the overall increase in vehicle production and cost reduction programs which offset new program costs for new facilities, administrative expenses associated with the expansion of business and increased research and development expenses.

Canadian Operations

Net sales in Canada increased by 52.6% to $573.4 million in the year ended December 31, 1994 compared to $375.8 million in the year ended December 31, 1993. Sales in 1994 reflect the benefit of a new Ford truck program introduced in February 1994, the relocation of an NAB passenger car program from Mexico and slightly higher volumes on mature seat programs which offset downtime associated with a General Motors plant conversion for a replacement mid-size passenger car. Initial production of the replacement program began in February 1994 with attainment of targeted production levels in the second quarter of 1994.

Operating income and operating margin in Canada were $46.3 million and 8.1%, respectively, in the year ended December 31, 1994 and $25.6 million and 6.8%, respectively, in the year ended December 31, 1993. The growth in operating income and operating margin was due to the benefits derived from higher sales volume on mature seating programs, cost reduction programs and improved operating performance at start-up seat facilities.

European Operations

Net sales in Europe increased by 41.8% to $572.5 million for the year ended December 31, 1994 compared to $403.8 million for the year ended December 31, 1993. The sales increase was due primarily to the addition of new seat programs in Germany and England and vehicle production increases on established programs in Germany, Sweden and Austria.

Operating income in Europe was $4.4 million in the fiscal year ended December 31, 1994 compared to an operating loss of $9.6 million sustained in the year ended December 31, 1993. Operating income in 1994 as compared to the prior year benefited from the higher sales levels and cost reduction programs at existing seat and seat component facilities. Partially offsetting the increase in operating income were incremental costs associated with the start-up of a new seat facility in England and the introduction of a replacement component program within an established facility in Germany.

Mexican Operations

Net sales in Mexico were $196.3 million in the year ended December 31, 1994 and $189.5 million in the year ended December 31, 1993. Sales for the year ended December 31, 1994 surpassed the prior year due to new Chrysler truck and Ford passenger car seat programs and incremental volume on mature Ford programs. Partially offsetting the increase in net sales was the product phase out of a mature truck program and participation in customer cost reduction programs.

Operating income and operating margin in Mexico were $10.2 million and 5.2%, respectively, in the year ended December 31, 1994 and $20.3 million and 10.7%, respectively, in the prior year. Operating income and operating margin in 1994 declined in relation to the prior year as a result of the Company's participation in customer cost reduction programs and costs associated with the introduction of replacement products at new and established facilities.

Year Ended June 30, 1993 Compared With Year Ended June 30, 1992

Net sales of $1,756.5 million in the fiscal year ended June 30, 1993 increased $333.8 million or 23.5% over the fiscal year ended June 30, 1992. The increase was due to new business in the United States and Europe, full year production of a second facility in Sweden for Volvo, of which the Company assumed control in January 1992, and incremental volume on domestic and Mexican programs.

Gross profit and gross margin were $152.5 million and 8.7%, respectively, in the fiscal year ended June 30, 1993 and $115.6 million and 8.1%, respectively, in the fiscal year ended June 30, 1992. Gross profit increased due to the benefit of incremental volume, including production of new business programs, productivity improvement programs and improved operating performance at new facilities in North America, Europe and Mexico. Partially offsetting the increase in gross profit were participation in customer cost reduction programs, plant shutdown costs at a dedicated facility in Finland, nonrecurring favorable foreign exchange effects on sales and a retroactive price increase recognized in the first and second quarters of the fiscal year ended June 30, 1992.

Selling, general and administrative expenses as a percentage of net sales remained unchanged at 3.5% in the fiscal year ended June 30, 1993 as compared to the prior fiscal year. The increase in actual expenses was largely the result of increased research and development costs for future seating programs in the United States, Canada and Europe. Further contributing to the increase in expenses were administrative support expenses for Mexican operations and costs associated with the establishment of customer business units in North America.

Operating income and operating margin were $81.1 million and 4.6%, respectively, in the fiscal year ended June 30, 1993, compared to $56.8 million and 4.0%, respectively, in the fiscal year ended June 30, 1992. The growth in operating income was due to incremental volume on established seating programs and improved performance at new seat and seat cover facilities. Partially offsetting the increase in operating income were pre-production and facility costs for programs introduced after June 30, 1993, plant shutdown costs and

non-recurring prior fiscal year adjustments noted above. Non-cash depreciation and amortization charges were $40.7 million in the fiscal year ended June 30, 1993 and $35.0 million in the fiscal year ended June 30, 1992.

Interest expense in the fiscal year ended June 30, 1993 declined in relation to the fiscal year ended June 30, 1992 due to lower interest rates on bank debt, refinancing of certain subordinated debt at a lower interest rate and the application of funds received from capital infusions made on September 27, 1991 and July 30, 1992.

Other expense, including state and local taxes, foreign exchange gains or losses, minority interests and equity in income of affiliates, decreased in the fiscal year ended June 30, 1993 in comparison to the fiscal year ended June 30, 1992 as reduced income derived from joint ventures accounted for under the equity method coupled with the Company's write-off of its $1.7 million investment in Probel S.A., a Brazilian company, were more than offset by the expense portion of non-recurring capitalization and related costs of $3.2 million associated with a capital raising transaction completed on September 27, 1991.

Net income of $10.1 million was realized in the fiscal year ended June 30, 1993 as compared to a net loss of $22.2 million in the fiscal year ended June 30, 1992. The net income of $10.1 million in the fiscal year ended June 30, 1993 reflects an $11.9 million provision for foreign national income taxes as compared to an $8.2 million provision in the fiscal year ended June 30, 1992.

United States Operations

Net sales in the United States were $765.7 million and $597.1 million in the fiscal years ended June 30, 1993 and 1992, respectively. Net sales in fiscal 1993 surpassed the prior year due to improved domestic car and truck production on established seating programs in the second half of the fiscal year ended June 30, 1993 coupled with a new Ford passenger car program and the attainment of targeted production levels for a General Motors truck program introduced in the fall of 1991.

Operating income and operating margin were $51.8 million and 6.8%, respectively, in the fiscal year ended June 30, 1993 and $32.0 million and 5.4%, respectively, in the fiscal year ended June 30, 1992. The growth in operating income and operating margin was due to the benefits derived from incremental volume on established and new seating programs, productivity improvements and improved operating performance at new seat cover facilities. Partially offsetting the increase in operating income were participation in customer cost reduction programs and preproduction costs associated with a new seating program.

Canadian Operations

Net sales from Canadian operations were $372.0 million in the fiscal year ended June 30, 1993 and $403.3 million in the fiscal year ended June 30, 1992. Net sales in the fiscal year ended June 30, 1993 were adversely impacted by market demand and vehicle inventories as General Motors announced temporary plant shutdowns and production adjustments on existing passenger car and light truck programs.

Operating income and operating margin were $15.3 million and 4.1%, respectively, in the fiscal year ended June 30, 1993 and $14.7 million and 3.6%, respectively, in the fiscal year ended June 30, 1992. Operating income in the fiscal year ended June 30, 1993 benefited from productivity improvement programs, favorable exchange rate fluctuations and improved operating performance at a new seat facility. Partially offsetting the increase in operating income were reduced vehicle production schedules on existing programs and engineering costs associated with a new Ford seating program.

European Operations

Net sales in Europe were $432.5 million in the fiscal year ended June 30, 1993 and $268.2 million in the fiscal year ended June 30, 1992. Net sales in fiscal 1993 exceeded net sales in the prior year due to the addition of new operations in Germany and Austria, the full year impact resulting from the acquisition of facilities in Sweden and Finland and incremental volume on carryover programs in Germany. Partially offsetting the

increase in net sales were reduced vehicle production schedules for established seating programs in Sweden and unfavorable exchange rate fluctuations.

The Company's European operations sustained an operating loss of $3.9 million in the fiscal year ended June 30, 1993 as compared to operating income of $3.0 million in the fiscal year ended June 30, 1992. The $6.9 million unfavorable variance in the fiscal year ended June 30, 1993 was the result of lower margin products introduced at an established facility in Germany, technical and administration costs required to support European manufacturing facilities, a retroactive price increase recognized in the first half of the fiscal year ended June 30, 1992 and the devaluation of the Swedish krona, which were partially offset by the favorable impact of foreign exchange rates. Also contributing to the decrease in operating income were reserves established by the Company for anticipated plant shutdown costs at a dedicated facility in Finland due to the customer transfer of production to alternative locations in Europe. Partially offsetting the decrease in operating income was the overall growth in sales activity, including production from new programs in Germany and Austria and the full year contribution of facilities in Sweden and Finland of which the Company assumed control in the fiscal year ended June 30, 1992.

Mexican Operations

Net sales in Mexico were $186.3 million in the fiscal year ended June 30, 1993 and $154.1 million in the fiscal year ended June 30, 1992. Net sales increased due to increased production activity on established General Motors, Ford, Volkswagen and Chrysler programs.

Operating income and operating margin in Mexico were $17.9 million and 9.6%, respectively, in the fiscal year ended June 30, 1993 and $7.1 million and 4.6%, respectively, in the fiscal year ended June 30, 1992. The increase in operating income and operating margin in the fiscal year ended June 30, 1993 as compared to the prior fiscal year was due to the benefit of additional sales, productivity improvement programs and improved manufacturing performance at a seat cover facility.

LIQUIDITY AND CAPITAL RESOURCES

In connection with the AIH Acquisition, the Company entered into a $1.5 billion secured revolving credit agreement with Chemical Bank and a syndicate of financial institutions (the "New Credit Agreement"), the purpose of which was to finance the AIH Acquisition, to refinance a portion of the existing indebtedness of AIH, to refinance the Company's prior $500 million credit facility (the "Prior Credit Facility"), and for general corporate purposes, including acquisitions. Borrowings under the New Credit Agreement bear interest, at the election of the Company, at a floating rate of interest equal to (i) the higher of Chemical Bank's prime rate and the federal funds rate plus .5% or (ii) the Eurodollar Rate (as defined in the New Credit Agreement) plus a borrowing margin of .5% to 1.0%. The applicable borrowing margin is determined based on the satisfaction of a specified financial ratio of the Company. Amounts available to be drawn under the New Credit Agreement will be reduced by an aggregate amount of $650 million during the term of the New Credit Agreement, which matures on September 30, 2001.

Borrowings under the New Credit Agreement will bear interest at floating rates, although the Company is permitted to convert variable rate interest obligations on up to an aggregate of $500 million in principal amount of indebtedness into fixed rate interest obligations. The Company also has scheduled principal payments on long-term debt, including debt assumed in the AIH Acquisition, of $3.0, $12.3, $4.3, $7.3 and $2.1 million in 1995, 1996, 1997, 1998, and 1999, respectively.

In addition to its debt service obligations, the Company will require liquidity for capital expenditures and working capital needs. During the fiscal year ended December 31, 1994, the Company's capital expenditures aggregated approximately $103.1 million. The Company anticipates spending approximately $135.0 million for capital expenditures in 1995.

As of July 1, 1995, and after giving effect to the AIH Acquisition, the Offerings and the application of the net proceeds therefrom, the Company would have had $854.7 million outstanding under the New Credit

Agreement ($55.1 million of which would have been outstanding under letters of credit), resulting in approximately $645.3 million of available commitments. As of July 1, 1995, the Company had net cash and cash equivalents of $53.0 million. The Company's actual cash availability at the date hereof will be less than at July 1 because of greater working capital needs during the Company's traditionally weak third quarter. Nevertheless, the Company believes that cash flows from operations, together with amounts available under the New Credit Agreement and its current cash balances, will be sufficient to meet its debt service obligations, projected capital expenditures and working capital requirements, as well as to provide the flexibility to fund future acquisitions.

The New Credit Agreement, together with the Senior Subordinated Notes and the Subordinated Notes, impose various restrictions and covenants on the Company, including, among other things, financial covenants relating to the maintenance of minimum operating profit and net worth levels and interest coverage ratios as well as restrictions on indebtedness, guarantees, acquisitions, capital expenditures, investments, loans and advances, liens, dividends and other restricted payments, asset sales and issuances of stock. Such restrictions, together with the leveraged nature of the Company, could limit the Company's ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business opportunities.

INFLATION

Lear's contracts with its major customers generally provide for an annual productivity price reduction and, in some cases, provide for the recovery of increases in material and labor costs. Cost reduction through design changes, increased productivity and similar programs with the Company's suppliers generally have offset changes in selling prices. The Company's cost structure is comprised of a high percentage of variable costs. The Company believes that this structure provides it with additional flexibility during economic cycles.

During the six months ended July 1, 1995, the Company recorded a reduction in stockholders' equity of $14.1 million due to the devaluation of the Mexican peso by approximately 44%. The effect on the results of the Company's operations has not been material.

BUSINESS OF THE COMPANY

GENERAL

Lear is the largest independent supplier of automobile and light truck seat systems in the world. The Company's principal products include finished automobile and light truck seat systems, seat frames, seat covers and other seat components. The Company's seat systems, which are designed, manufactured and assembled at the Company's manufacturing facilities, are shipped to customer assembly plants on a sequential parts delivery ("SPD") basis for installation in vehicles near the end of the assembly process. The SPD process not only enables the Company to deliver seat systems to customers on a just-in-time ("JIT") basis but also permits delivery in the color and order in which the products are used in the OEMs' assembly lines. The Company's present customers include 17 OEMs, the most significant of which are Ford, General Motors, Fiat, Chrysler, Volvo, Volkswagen, BMW, Saab and Mazda. As of July 1, 1995, the Company employed approximately 26,000 people in 18 countries and operated 82 manufacturing, research, design, engineering, testing and administration facilities.

Lear's sales have grown rapidly from approximately $159.8 million in the fiscal year ended June 30, 1983 to approximately $3.1 billion in the fiscal year ended December 31, 1994, a compound annual growth rate of approximately 30%. This increase in sales, which has been achieved through internal growth as well as through acquisitions, is attributable primarily to the Company's strategy of capitalizing on two significant trends in the automotive industry: (i) the outsourcing of automotive components and systems by OEMs; and (ii) the consolidation and globalization of the OEM's supply base. Outsourcing of interior components and systems has increased in response to competitive pressures on OEMs to improve quality and reduce capital needs, costs of labor, overhead and inventory. Consolidation among automotive industry suppliers has occurred as OEMs have more frequently awarded long-term sole source contracts to the most capable global suppliers.

Increasingly, the criteria for selection include not only cost, quality and responsiveness, but also certain full-service capabilities, including design, engineering and project management support. OEMs now have rigorous programs for evaluating and rating suppliers, which encompass quality, cost control, reliability of delivery, new technology implementation and overall management. Under these programs, each facility operated by a supplier is evaluated independently. The suppliers who obtain superior ratings from an OEM are considered for new business; those who do not may continue their existing contracts, but are unlikely to be considered for additional business. As a result, the OEMs' new supplier policies have sharply reduced the number of component and systems suppliers. The Company believes that OEMs in North America and Europe will continue to pursue outsourcing and supplier consolidation as a means of cost reduction.

The principal beneficiaries of the trend to outsourcing have been independent suppliers, such as the Company, with proven design, engineering, program management and SPD manufacturing capabilities. The Company has demonstrated its ability to substantially reduce the cost and increase the quality of seat systems through the coordination of design, development and manufacturing as a Tier I supplier. As a result of this continuing trend toward outsourcing, the Company has been awarded the following new business which has recently begun production or is scheduled to begin production shortly:

PROGRAM	LOCATION OF LEAR FACILITY	ACTUAL/ SCHEDULED START DATE
Ford Explorer -- Plant II	St. Louis, MO	January 1995
Dodge Ram Pick-up Truck	Saltillo, Mexico	March 1995
Ford Taurus/Sable	Atlanta, GA	June 1995
Ford Taurus/Sable	Chicago, IL	June 1995
Dodge Ram Pick-up Truck	St. Louis, MO	July 1995
BMW -- 3 Series	Brits, South Africa	July 1995
GMT 600 Van	Wentzville, MO	September 1995
BMW -- Roadster	Duncan, SC	September 1995
VW -- Gol	Sao Paulo, Brazil	October 1995
GM Blazer	Jakarta, Indonesia	October 1995
BMW -- 3 Series	Wackersdorf, Germany	November 1995
Holden -- VS	Adelaide, Australia	November 1995

The outsourced market for automobile and light truck seat systems in North America is approximately 70% of the estimated total North American seat systems market of $6.8 billion. In 1994, the Company held a leading 38% share of the estimated $4.8 billion outsourced seat systems market and a 27% share of the estimated $6.8 billion total seat systems market. After giving pro forma effect to the FSB Acquisition, the Company's share of the estimated $2.4 billion European outsourced seat systems market would have been a leading 33% and its share of the estimated $4.5 billion total seat systems market would have been 18%. The Company is also the largest supplier of seat systems and seat components in Mexico.

The Company's North American content per vehicle has increased from $12 in 1983 to $169 in 1994. In Western Europe, the content per vehicle has grown from $3 in 1983 to $80 in 1994 after giving pro forma effect to the FSB Acquisition. This increase has resulted from the Company's ability to capitalize on a number of industry trends including outsourcing, greater design responsibility by suppliers and the increased sophistication of seat systems as OEMs add more advanced features and luxury items into vehicle models.

STRATEGY

The Company has become a significant Tier I supplier by implementing a strategy based upon the following elements:

- Strong Relationships with the OEMs. The Company's management has developed strong relationships with its 17 OEM customers which allow Lear to identify business opportunities and customer needs in the early stages of vehicle design. Management believes that working closely with OEMs in the early stages of designing and engineering seat systems gives it a competitive advantage in securing new

business. Lear maintains an excellent reputation with the OEMs for timely delivery and customer service and for providing world class quality at competitive prices. As a result of the Company's service and performance record, it has received high quality ratings from virtually every OEM with which it does business.

- Product Technology and Product Design Capability. Lear has made substantial investments in product technology and product design capability to support its products. The Company maintains two advanced technical centers (in Southfield, Michigan and Turin, Italy) where it develops and tests current and future products to determine compliance with safety standards, quality and durability, response to environmental conditions and user wear and tear. At its 12 customer-dedicated engineering centers, specific program applications are developed and tested. Benchmarking studies are also conducted to aid in developing innovative seat design features. The Company has recently made substantial investments to upgrade its advanced computer-aided engineering ("CAE") and computer-aided design/computer-aided manufacturing ("CAD/CAM") systems. Such tools as advanced design modeling software, dynamic crash simulation, linear and non-linear finite element analysis and solids modeling are among several tools recently added to electronically create a seat and evaluate its performance.

- Lean Manufacturing Philosophy. Lear's "lean manufacturing" philosophy seeks to eliminate waste and inefficiency in its own operations and in those of its customers and suppliers. The Company believes that it provides superior quality seating products at lower costs than the OEMs. The Company, whose facilities are linked by computer directly to those of its suppliers and customers, receives components from its suppliers on a JIT basis, and delivers seat systems and components to its customers on a sequential JIT basis, which provides products to an OEM's manufacturing facility in the color and order in which the products are used. This process minimizes inventories and fixed costs for both the Company and its customers and enables the Company to deliver products on as little as 90 minutes' notice. For the year ended December 31, 1994, the Company's overall annual inventory turnover rate was 36 times and up to 150 times in the case of certain of the Company's JIT plants. The Company also minimizes fixed costs by using existing suppliers to the OEMs and the OEMs themselves for certain components. In cases where one of the Company's manufacturing facilities is underutilized, the Company is able to redistribute products to increase facility utilization.

- Global Presence. By expanding its operations outside the United States, Lear has sought to provide its products on a global basis to its OEM customers. Due to significant cost savings and improved product quality and consistency, OEMs have increasingly required their suppliers to manufacture seat systems and other components in multiple geographic markets. By expanding its operations outside the United States, Lear provides its products on a global basis to its OEM customers. A global market presence also affords Lear some protection against cyclical downturns in any single market. For the six months ended July 1, 1995, approximately 54% of the Company's sales were outside the United States. In furtherance of its global expansion strategy, on June 28, 1995 the Company entered into a joint venture agreement with an affiliate of Industria Espanola del Polieter, S.A. ("INESPO"), a Spanish corporation, to supply seat systems to Volkswagen in Brazil.

- Growth Through Strategic Acquisitions. Strategic acquisitions have been, and management believes will continue to be, an important element in the Company's growth worldwide and in its efforts to capitalize on the automotive industry trends described above. These acquisitions complement Lear's existing capabilities and provide new growth opportunities. The Company's recent acquisitions have expanded its OEM customer base and worldwide presence and enhanced its relationships with existing customers. The AIH Acquisition has also given the Company a significant presence in the non-seating segment of the automobile and light truck interior market.

RECENT ACQUISITIONS

To supplement its internal growth and implement its business strategy, the Company has made six strategic acquisitions since 1990. The following is a summary of these acquisitions:

AIH Acquisition

In August 1995, AIHI Acquisition Corp., a wholly-owned subsidiary of Lear, acquired all the outstanding common stock of AIH and subsequently merged with and into AIH. The aggregate purchase price for the AIH Acquisition was $926.4 million (including the assumption of $282.3 million of AIH's existing indebtedness and fees and expenses of $18.4 million). These funds were provided by borrowings under the New Credit Agreement.

AIH is a leading designer and manufacturer of high quality interior trim systems and blow molded products principally for North American and European automobile and light truck manufacturers. AIH's interior trim products include complete door panel assemblies, seatbacks and inserts, armrests, consoles and headliners. Blow molded products include windshield washer reservoirs, fuel tank shields and radiator coolant overflow reservoirs. AIH sales increased, both internally and through acquisitions, from $209.5 million in 1991 to $512.8 million in 1994, resulting in a compound annual growth rate of approximately 35%.

The Company believes that the AIH Acquisition will provide Lear with several strategic benefits, including the following:

- Market Share. The AIH Acquisition has made Lear the largest independent Tier I supplier of seat and automotive interior systems in the estimated $22 billion North American and European total light vehicle interior market. Although the Company has manufactured certain interior components for several years, the AIH Acquisition affords Lear a significant presence in the non-seating and non-instrument panel segments of the interior market, which account for approximately 47% of the total interior market. A substantial portion of this market is still provided in-house by OEMs and the outsourced market is much more fragmented than the seat systems market, thereby providing the Company with significant growth opportunities as outsourcing continues and supplier consolidations increase as OEMs seek global supplier relationships.

- OEM Relationships. Management believes that the ability to offer integrated interior systems provides Lear with a competitive advantage as OEMs continue to reduce their supplier base while demanding improved quality and additional Tier I services. In this regard, management believes that OEMs will increasingly ask their lead interior suppliers to fill the role of "Systems Integrator" to manage the design, purchasing and supply of the total automobile interior. As a result of the AIH Acquisition, Lear is well-positioned to fill this role.

- Growth Opportunities. Lear's market leadership, expertise and established relationships with European OEMs (Fiat, Opel, Volvo and Saab) should provide AIH with additional access to the European market. In addition, Lear's entry into automotive growth areas worldwide, particularly in South America and the Asia-Pacific region, provides further growth opportunities for AIH.

- AIH Management. The AIH Acquisition will provide the Company with the experience and expertise of AIH's strong management team. AIH is a stand-alone entity and initially will be operated as such. The AIH Acquisition also gives the Company access to AIH's comprehensive program management system that tracks each program's status, predicting lead time and cost variances for each product change requested.

FSB Acquisition

On December 15, 1994, the Company, through its wholly-owned subsidiary, Lear Seating Italia S.r.L., purchased from Gilardini S.p.A. ("Gilardini"), a subsidiary of Fiat, all the shares of SEPI S.p.A. ("SEPI"), the primary automotive seat systems supplier to Fiat. SEPI and its wholly-owned subsidiary, SEPI Sud S.p.A. ("SEPI Sud"), operate eight facilities in Italy producing automotive seat systems for 85% of Fiat's Italian

vehicle production under the Fiat, Lancia, Alfa Romeo and Ferrari nameplates as well as seat frames for certain Fiat models for which SEPI and SEPI Sud do not supply the seat systems. In connection with this acquisition, Lear also acquired from Gilardini interests in seat systems and seat covers businesses in Poland, Spain and Turkey. Lear also anticipates acquiring interests in proposed South American joint ventures which plan to supply automotive seat systems to Fiat or its affiliates in Brazil and Argentina. Lear and Fiat also entered into a long-term supply agreement for the production of substantially all outsourced automotive seat systems for Fiat and affiliated companies worldwide.

The FSB Acquisition not only established Lear as the market leader in automotive seat systems in Europe, but combined with its leading position in North America, made Lear the largest automotive seat systems manufacturer in the world. In addition, it gave the Company additional access to rapidly expanding markets in South America and Eastern Europe.

NAB Acquisition

On November 1, 1993, Lear significantly strengthened its position in the North American automotive seating market by purchasing the North American seat cover and seat system business of Ford. The NAB consists of an integrated United States and Mexican operation which produces seat covers for approximately 80% of Ford's North American vehicle production (as well as for several independent suppliers) and manufactures seat systems for certain Ford models. The NAB Acquisition included the machinery, equipment, real property and other assets used in the operations of the NAB as well as all of the issued and outstanding capital stock of Favesa S.A. de C.V., a maquiladora operation located in Juarez, Mexico.

Prior to the NAB Acquisition, the Company outsourced a significant portion of its seat cover requirements. The expansion of the Company's seat cover business has provided Lear with better control over the costs and quality of one of the critical components of a seat system. In addition, by virtue of the NAB Acquisition, the Company was able to enhance its relationship with its largest OEM customer, entering into a five year supply agreement with Ford covering models for which the NAB had produced seat covers and seat systems at the time of the acquisition. The Company also assumed during the term of the supply agreement primary engineering responsibility for a substantial portion of Ford's car models, providing Lear with greater involvement in the planning and design of seat systems and related products for future light vehicle models.

Scandinavian Acquisitions

In 1991 and 1992, the Company acquired the seat systems businesses of Saab in Sweden and Finland and of Volvo in Sweden. In connection with each of these acquisitions, the Company entered into long-term relationships with the respective OEMs.

PRODUCTS

Lear's products have evolved from the Company's many years of experience in the seat frame market where it has been a major supplier to General Motors and Ford since its inception in 1917. The seat frame has structural and safety requirements which make it the basis for overall seat design and was the logical first step in the Company's emergence as a dominant supplier of entire seat systems.

The market for seat systems developed as a result of North American automobile manufacturers' need to restructure assembly plant methods in response to vigorous foreign competition in the early 1980s. The Company was positioned to take advantage of this growing market through its long standing relationships with customers. These relationships have been fostered through the Company's performance in seat frame manufacturing over the years and its demonstrated ability to supply and manage total seat systems. The Company believes that its position in the seat systems market will improve as seats with advanced features become an increasingly important criterion for distinguishing between competing vehicle models.

The following is the approximate composition by product category of the Company's net sales in the year ended December 31, 1994: seat systems, 78%; seat covers, 12%; seat frames, 8%; and seat components, 2%.

- Seat Systems. The seat systems business consists of the design, engineering, manufacture, assembly and supply of entire seating requirements for a vehicle or assembly plant. The Company produces seat systems for automobiles and light trucks that are fully finished and ready to be installed in a vehicle. As OEMs continue to view seat systems as a distinguishing marketing feature, the advanced features incorporated initially in high performance seats are more frequently becoming standard features in a wider variety of later production vehicles.

As a result of its product technology and product design strengths, the Company can provide ergonomic designs which offer styling flexibility at low cost. In addition, the Company is able to incorporate many convenience features and safety improvements into its seat designs, such as storage armrests, rear seat fold down panels, integrated restraint systems and child restraint seats.

Lear's position as a market leader in seat systems is largely attributable to seating programs on new vehicle models launched in the past five years. The Company believes that supplying seating for these new vehicle models will provide it with a long-term revenue stream throughout the lives of these models. The Company is currently working with customers in the development of a number of seat systems products to be introduced by automobile manufacturers in the late 1990s, which it expects will lead to an increase in outsourcing opportunities in the future. Such business includes the Ford Taurus/Mercury Sable, the Ford Explorer, the Ford Contour/Mercury Mystique, the Dodge Ram Pick-up Truck, the Chevrolet Cavalier/Pontiac Sunfire, the Ford Windstar Minivan, all Jaguar models and the GM Opel Omega.

- Seat Covers. Lear produces seat covers at its Fairhaven, Michigan and Saltillo, Mexico facilities, which deliver seat covers primarily to other Company plants. In addition, pursuant to the NAB Acquisition, the Company acquired a portion of Ford's North America seat cover business and is producing approximately 80% of the seat covers for Ford's North American vehicles. The Company's major external customers for seat covers are Ford and other independent seat system suppliers. The expansion of the Company's seat cover business allows the Company better control over the costs and quality of one of the critical components of a seat system. Typically, seat covers comprise approximately 30% of the aggregate cost of a seat system.

- Seat Frames. Lear produces steel and aluminum seat frames for passenger cars and light and medium trucks. Seat frames are primarily manufactured using precision stamped, tubular steel and aluminum components joined together by highly automated, state-of-the-art welding and assembly techniques. The manufacture of seat frames must meet strict customer specified safety standards. The Company's seat frames are delivered to its own plants where they become part of a completed seat that is sold to the OEM customer, to customer-operated assembly plants or to other independent seating suppliers where they are used in the manufacture of assembled seating systems.

- Seat Components. The Company designs and manufactures plastic storage armrests for inclusion in seat systems at its plant in Mendon, Michigan. Vehicles in which these components are found are the Dodge Ram Pick-up Truck, the Ford F-Series Pick-up Truck, the Buick LeSabre and the Oldsmobile Delta 88. The Company also manufactures decorative, painted and assembled injection molded components at the Mendon facility that are used in automotive vehicle interiors.

MANUFACTURING

All the Company's plants use JIT manufacturing techniques, and most of the Company's products, including all seat systems, are delivered to the OEMs on a JIT basis. The JIT concept, first broadly utilized by Japanese automobile manufacturers, is the cornerstone of the Company's manufacturing and supply strategy. This strategy involves many of the principles of the Japanese system, but was redeveloped for compatibility with the greater volume requirements and geographic distances of the North American market. The Company first developed JIT operations in the early 1980s at its seat frame manufacturing plants in Morristown, Tennessee and Kitchener, Ontario, Canada. These plants previously operated under traditional manufacturing practices, resulting in relatively low inventory turnover rates, significant scrap and rework, a high level of indirect labor costs and long production set-up times. As a result of JIT manufacturing techniques, the

Company has been able to consolidate plants, increase capacity and significantly increase inventory turnover, quality and productivity.

The JIT principles first developed at Lear's seat frame plants in 1983 were next applied to the Company's growing seat systems business and have now evolved to SPD principles. The Company's seating plants are typically no more than 30 minutes or 20 miles from its customers' assembly plants and manufacture seats for delivery to the customers' facilities in as little as 90 minutes. Orders for the Company's seats are received on a weekly basis, pursuant to blanket purchase orders for annual requirements. These orders detail the customers' needs for the ensuing week. In addition, on each work day, constant computer and other communication is maintained between personnel at the Company's plants and personnel at the customers' plants to keep production current with the customers' demand.

Seat and component assembly techniques fall into two major categories, traditional assembly methods (in which fabric is affixed to a frame using Velcro, wire or other material) and more advanced bonding processes. There are two bonding techniques employed by the Company, the Company's patented SureBond process, a technique in which fabric is affixed to the underlying foam padding using adhesives, and the Company's licensed foam-in-place process, in which foam is injected into a fabric cover. The SureBond process has several major advantages when compared to traditional methods, including design flexibility, increased quality and lower cost. The SureBond process, unlike alternative bonding processes, results in a more comfortable seat in which air can circulate freely. The SureBond process, moreover, is reversible, so that seat covers that are improperly installed can be removed and repositioned properly with minimal materials cost. In addition, the SureBond process is not capital intensive when compared to competing technologies. Approximately one-third of the Company's seats are manufactured using the SureBond process. See "-- Litigation."

The seat assembly process begins with pulling the requisite components from inventory. Inventory at each plant is kept at a minimum, with each component's requirement monitored on a daily basis. This allows the plant to devote the maximum space to production, but also requires precise forecasts of the day's output. Seats are assembled in modules, then tested and packaged for shipment. The Company operates a specially designed trailer fleet that accommodates the off-loading of vehicle seats at the assembly plant.

The Company obtains steel, aluminum and foam chemicals used in its seat frames from various producers under various supply arrangements. Leather, fabric and purchased components generally are acquired from suppliers. The principal raw materials used in the production of polyurethane foam are polyol (poly oxyalkylene) and TDI (toluene discyanate). These materials are supplied under various arrangements with major chemical companies and are readily available. Leather, fabric and purchased components are generally purchased from various suppliers under contractual arrangements generally lasting no longer than one year. Some of the purchased components are obtained through the Company's own customers.

CUSTOMERS

The Company currently serves the worldwide automobile and light truck market, which produces over 50 million vehicles annually. The outsourced market for automobile and light truck seat systems in North America currently represents approximately 70% of the total North American market for these products which is estimated to have annual revenues of approximately $6.8 billion. The outsourced market for seat systems in Europe is approximately 53% of the total European seat systems market, which in 1994 was estimated to have annual revenues of approximately $4.5 billion. The Company believes that the same competitive pressures that contributed to the rapid expansion of its business in North America since 1983 will continue to require OEMs in the North American and the European markets to outsource more of their seating requirements. The Company's OEM customers currently include Ford, General Motors, Fiat, Chrysler, Volvo, Volkswagen, BMW, Saab, Mazda, Jaguar, Audi, Subaru, Isuzu, Suzuki, Daimler-Benz, Renault and Peugeot.

In the past six years, in the course of retooling and reconfiguring plants for new models and model changeovers, OEMs have eliminated production of seat systems and components from certain of their facilities, thereby committing themselves to purchasing these products from outside suppliers. During this

period, the Company became a supplier of these products for a significant number of new models, many on a JIT basis.

The purchase of seat systems on a JIT basis has allowed the Company's customers to realize a competitive advantage as a result of (i) a reduction in labor costs since suppliers like the Company generally enjoy lower direct labor rates, (ii) the elimination of working capital and personnel costs associated with the production of seating systems by the OEM, (iii) a reduction in net overhead expenses and capital investment due to the availability of plant space previously associated with seat production at the OEM's facilities for expansion of other manufacturing operations and (iv) a reduction in transaction costs because of the customer's ability to deal with a limited number of sophisticated system suppliers as opposed to numerous individual component suppliers. In addition, the Company offers improved quality and on-going cost reduction to its customers through design improvements and its "Champion Programs," whereby individual members of management are responsible for working with a specific vendor to aggressively reduce costs.

The Company receives blanket purchase orders from its customers that normally cover annual requirements for seats to be supplied for a particular car model. Such purchase orders typically extend over the life of the model, which is generally four to seven years, and do not require the purchase by the customer of any minimum number of seats. Although such purchase orders may be terminated at any time, the Company does not believe that any of its customers have terminated a material purchase order prior to the end of the life of a model. The primary risk to the Company is that an OEM will produce fewer units of a model than anticipated. In order to reduce its reliance on any one model, the Company produces complete seat systems and components for a broad cross-section of both new and established models. The Company's seat systems sales for the year ended December 31, 1994 broke down into the following vehicle categories: 42% light truck and sport utility, 18% mid-size, 13% luxury, 11% full-size, 9% sport vehicles and 7% compact vehicles. The following table indicates the vehicles for which the Company or its affiliates produce seat systems and the locations of such production:

UNITED STATES AND CANADA

FORD:
Ford Crown Victoria
Ford Explorer
Ford F-Series Pick-up Truck
Ford Mustang GT & LX
Ford Probe
Ford Ranger Supercab/STX
Ford Taurus
Ford Taurus SHO
Ford Thunderbird SC
Ford Windstar Minivan
Mercury Sable
Mercury Cougar XR7
Mercury Grand Marquis
Mazda Navajo

GENERAL MOTORS:
Buick LeSabre
Buick Park Avenue
Buick Regal
Chevrolet Cavalier
Chevrolet Corvette
Chevrolet Lumina
Chevrolet Monte Carlo
Chevrolet Tahoe/GMC Yukon
Chevrolet C/K Pick-up Truck
Chevrolet Kodiak
Chevrolet/GMC G-Van
GMC Pick-up Truck
Chevrolet/GMC Suburban
GMC Top Kick
Pontiac Bonneville
Pontiac Sunfire

BMW:
3 Series

CAMI - GENERAL MOTORS/SUZUKI:
Geo Metro
Geo Tracker
Suzuki Sidekick
Suzuki Swift

CHRYSLER:
Dodge Dakota Pick-up Truck
Dodge Ram Pick-up Truck
Dodge Viper

FUJI/ISUZU:
Isuzu Rodeo
Subaru Legacy

HONDA:
Passport

EUROPE

FIAT:
Barchetta
Coupe 500
Croma
X230
Punto
Tempra
Tipo
Uno

ALFA ROMEO:
Alfa 145/146
Alfa 155
Alfa 164
Coupe
Spider

CHRYSLER:
Eurostar Minivan

VOLVO:
800 Series
900 Series

SAAB:
Saab 900
Saab 9000

JAGUAR:
XJS
X300

LANCIA:
Dedra
Delta
Thema
Y11
Kappa

VOLKSWAGEN:
Transporter T4

GENERAL MOTORS - OPEL:
Astra
Corsa
Omega
Vectra

MEXICO

BMW:
3 Series
5 Series
7 Series

CHRYSLER:
Dodge Ram Pick-up Truck

GENERAL MOTORS:
Chevrolet Cavalier
Chevrolet C/K Pick-up Truck
Opel Corsa
Pontiac Sunfire

VOLKSWAGEN:
Golf
Jetta
Derby
GPA Minivan

FORD:
Ford Contour
Ford Escort
Ford F-Series Pick-up Truck
Mercury Mystique
Mercury Tracer

OTHER

GENERAL MOTORS - HOLDEN (AUSTRALIA):
VS

VOLVO (THAILAND):
800 Series
900 Series

GENERAL MOTORS - OPEL (INDONESIA):
330 Blazer
Optima
Vectra

BMW (SOUTH AFRICA):
3 Series

As a result of the economic benefits inherent in the JIT manufacturing process and the costs associated with reversing a decision to purchase seat systems from an outside supplier, the Company believes that automobile manufacturers' level of commitment to purchasing seating from outside suppliers, particularly on a JIT basis, will increase. However, under the contracts currently in effect in the United States between each of General Motors, Ford and Chrysler with the United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW"), in order for any of such manufacturers to obtain components that it currently produces itself from external sources, it must first notify the UAW of such intention. If the UAW objects to the proposed outsourcing, some agreement will have to be reached between the UAW and the OEM. Factors that will normally be taken into account by the UAW and the OEM include whether the proposed new supplier is technologically more advanced than the OEM, cost and whether the OEM will be able to reassign union members whose jobs are being displaced to other jobs within the same factories. As part of its long-term agreement with General Motors, the Company operates its Grand Rapids, Michigan, Rochester Hills, Michigan and Lordstown, Ohio facilities with General Motors employees and reimburses General Motors for the wages of such employees on the basis of the Company's employee wage structure. The Company enters into these arrangements to cooperate and enhance its relationship with its customers.

The Company's contracts with its major customers generally provide for an annual productivity price reduction and, in some cases, provide for the recovery of increases in material and labor costs. Cost reduction through design changes, increased productivity and similar programs with the Company's suppliers generally have offset changes in selling prices. The Company's cost structure is comprised of a high percentage of variable costs. The Company believes that this structure provides it with additional flexibility during economic cycles.

Ford and General Motors, the two largest automobile and light truck manufacturers in the world, are also the Company's two largest customers, accounting for 39% and 36%, respectively, of the Company's net sales during 1994. After giving effect to the AIH Acquisition and the FSB Acquisition, sales to Ford and General Motors will continue to represent a similar substantial portion of the Company's total sales.

MARKETING AND SALES

The Company markets its products by maintaining strong relationships with its customers. Throughout its 78-year history, customers have benefitted from the Company's strong technical and product development capabilities, reliable delivery of high quality products, strong customer service, innovative new products and a competitive cost structure. Close personal communication with automobile manufacturers on both corporate and plant levels is an integral part of the Company's marketing strategy. Recognizing this, the Company was reorganized into six independent divisions, each with the ability to focus on its own customers and programs and each having complete responsibility for the product, from design to installation. By moving the decision process closer to the customer, and instilling a philosophy of "cooperative autonomy," the Company is more responsive to, and has strengthened its relationship with, its customers. Automobile manufacturers have increasingly reduced their number of suppliers as part of their move to purchase systems rather than discrete components. This trend favors suppliers, like the Company, with established ties to automobile manufacturers and the demonstrated ability to adapt to the new competitive environment in the automotive industry.

The Company's sales are originated almost entirely by its sales staff. This marketing effort is augmented by design and manufacturing engineers who work closely with automobile manufacturers from the preliminary design to the manufacture and supply of a seating system. Manufacturers have increasingly looked to suppliers like the Company to assume responsibility for product innovations, to shorten the development cycle of new models, decrease tooling investment and labor costs, reduce the number of costly design changes in the early phases of production and improve seat comfort and functionality. Once the Company is engaged to develop the design for the seating of a specific car model, it is also generally engaged to supply the automobile with seating when the car goes into production. The Company has responded to this trend by improving its engineering and technical capabilities and investing in technical centers in the United States and in Europe. The Company has also developed full-scope engineering capabilities, including all aspects of safety and functional testing and comfort assessment. In addition, the Company has established various remote

engineering sites in close proximity to several of its OEM customers to enhance customer relationships and design activity.

TECHNOLOGY

The Company conducts advanced product design and development at its technical centers in Southfield, Michigan and Turin, Italy. After the FSB Acquisition, Lear transferred its European technical facility from Rietberg, Germany to Turin, Italy. At the technical centers, the Company tests its products to determine compliance with applicable safety standards, the products' quality and durability, response to environmental conditions and user wear and tear. In the past, the Company has developed a number of designs for innovative seat features which it has patented, including ergonomic features such as adjustable lumbar supports and bolster systems and adjustable thigh supports. In addition, the Company incorporates many convenience, comfort and safety features into its seat designs, including storage armrests, rear seat fold down panels, integrated restraint systems and child restraint seats. The Company has invested to further upgrade its CAE and CAD/CAM systems, including investments in three-dimensional color graphics, customer telecommunications and direct interface with customer CAD systems. Research and development costs incurred in connection with the development of new products and manufacturing methods (not including additional research and development costs paid for by the customer) amounted to approximately $16.2 million, $21.9 million and $16.2 million for the six months ended July 1, 1995 and for the years ended December 31, 1994 and 1993, respectively.

The Company uses its patented SureBond process (the patent for which has approximately 8 years remaining) in bonding seat cover materials to the foam pads used in certain of its seats. The SureBond process is used to bond a pre-shaped cover to the underlying foam to minimize the need for sewing and achieve new seating shapes, such as concave shapes, which were previously difficult to manufacture. See "-- Litigation".

The Company holds a number of mechanical and design patents covering its automotive seating products and has numerous applications for patents currently pending. In addition, the Company holds several trademarks relating to various of its manufacturing processes. The Company also licenses its technology to a number of seating manufacturers.

The Company has and will continue to dedicate resources to research and development to maintain its position as a leading developer of technology in the automotive seating industry.

JOINT VENTURES

The Company conducts a portion of its business through joint ventures in order to facilitate the exchange of technical information and the establishment of business relationships with foreign automakers. In connection with the FSB Acquisition, the Company obtained a 49% interest in Industrias Cousin Freres, S.L., a Spanish joint venture with Bertrand Faure S.A. which produces seat components, and a 35% interest in Markol Otomotiv Yan Sanayi Ve Ticart, a Turkish joint venture which proposes to produce seat systems for Tofas, a Fiat affiliate, and seat covers for certain of the Company's Italian subsidiaries. As part of the Company's effort to procure business in the Asia-Pacific market, the Company holds a 49% interest in Lear Seating Thailand Corporation. The Company also participates in joint ventures with NHK Spring Co., Ltd. of Japan and certain other foreign automotive component suppliers.

EMPLOYEES

As of July 1, 1995, the Company employed approximately 6,700 persons in the United States, 11,000 in Mexico, 2,700 in Canada, 1,400 in Germany, 2,100 in Italy, 1,300 in Sweden, 300 in the United Kingdom, 300 in Poland, 100 in Austria and 100 in France. Of these, approximately 3,650 were salaried employees and the balance were paid on an hourly basis. Approximately 20,000 of the Company's employees are members of unions. The Company has experienced some labor disputes at its plants, none of which have significantly disrupted production or had a materially adverse effect on its operations. The Company has been able to resolve all such labor disputes and believes its relations with its employees are good.

FACILITIES

As of July 1, 1995, the Company's operations were conducted through 82 facilities, including six facilities operated by the Company's less than majority-owned affiliates, in 18 countries employing 26,000 people worldwide. Substantially all owned facilities secure borrowings under the Company's various debt agreements.

The Company's facilities are located in appropriately designed buildings which are kept in good repair with sufficient capacity to handle present volumes. The Company has designed its facilities to provide for efficient SPD manufacturing of its products. No facility is materially underutilized. Management believes substantially all of the Company's property and equipment is in good condition and that it has sufficient capacity to meet its current and expected manufacturing and distribution needs.

LITIGATION

On August 17, 1995, Astechnologies, Inc. ("Astech") filed a complaint against the Company in the United States District Court for the Northern District of Georgia, Atlanta Division. Astech asserts that the Company's SureBond process, which bonds seat covers to foam pads, and the Company's manufacture and use of certain machines to carry out such process, infringe an Astech patent. See "-- Manufacturing." Astech also asserts that the Company breached an agreement between the Company and Astech relating to the use in connection with the SureBond process of machines purchased by the Company from Astech. Astech seeks unspecified treble damages and an injunction against further patent infringement.

The Company does not believe that Astech's patent is valid nor does the Company believe that, if Astech's patent were to be upheld, the Company has infringed Astech's patent. The Company intends to vigorously contest Astech's claims and does not believe that Astech's claims will have a material adverse effect on the Company's consolidated financial position or future results of operations.

The Company is also involved in certain other legal actions and claims arising in the ordinary course of business. Management of the Company does not believe that any of the litigation in which the Company is currently engaged, either individually or in the aggregate, will have a material adverse effect on the Company's consolidated financial position or future results of operations.

SELECTED FINANCIAL DATA OF AUTOMOTIVE INDUSTRIES HOLDING, INC.

The following summary consolidated financial information and other data were derived from the consolidated financial statements of AIH. The consolidated financial statements of AIH for each of fiscal years 1994, 1993, 1992 and 1991 and the nine months ended December 29, 1990 have been audited by Arthur Andersen LLP. The consolidated financial statements of AIH for the six months ended July 1, 1995 and July 2, 1994 are unaudited; however, in the opinion of AIH's management, they reflect all adjustments, consisting only of normal recurring items, necessary for a fair presentation of the financial position and results of operations of such periods. The results for the six months ended July 1, 1995 are not necessarily indicative of the results to be expected for the full fiscal year. The selected financial data below should be read in conjunction with the consolidated financial statements of AIH and the notes thereto incorporated by reference in this Prospectus and "Management's Discussion and Analysis of Results of Operations of Automotive Industries Holding, Inc."

AUTOMOTIVE INDUSTRIES HOLDING, INC.

	AS OF OR FOR THE SIX MONTHS ENDED		AS OF OR FOR THE YEAR ENDED				AS OF OR FOR THE NINE MONTHS ENDED
	JULY 1, 1995	JULY 2, 1994	DECEMBER 31, 1994	JANUARY 1, 1994	DECEMBER 26, 1992	DECEMBER 28, 1991	DECEMBER 29, 1990
	(DOLLARS IN MILLIONS)						
OPERATING DATA:							
Net sales	$ 377.1	$ 236.8	$512.8	$348.7	$272.4	$209.5	$135.5
Gross profit	73.0	50.6	103.9	74.9	55.5	40.7	26.8
Selling, general and administrative expenses	24.9	16.6	35.3	24.4	16.7	11.1	7.1
Amortization	2.6	2.2	4.7	3.4	2.3	2.2	1.6
Operating income	45.5	31.8	63.9	47.1	36.5	27.4	18.1
Interest expense, net	9.0	3.6	9.3	7.1	9.4	15.0	11.8
Other expense, net	--	--	--	--	--	.1	.1
Income before income taxes and extraordinary items	36.5	28.2	54.6	40.0	27.1	12.3	6.2
Income taxes	14.6	11.4	21.9	16.0	11.0	5.4	3.1
Net income before extraordinary items	21.9	16.8	32.7	24.0	16.1	6.9	3.1
Extraordinary items	--	--	--	--	8.3	--	--
Net income before preferred dividend	21.9	16.8	32.7	24.0	7.8	6.9	3.1
Preferred dividend	--	--	--	--	.9	2.5	1.7
Net income	$ 21.9	$ 16.8	$ 32.7	$ 24.0	$ 6.9	$ 4.4	$ 1.4
BALANCE SHEET DATA:							
Current assets	$ 205.8	$ 156.4	$187.6	$ 93.0	$ 63.4	$ 47.8	$ 45.3
Total assets	611.3	461.0	567.4	338.5	233.7	216.6	212.6
Current liabilities	117.6	79.7	96.2	36.0	32.7	33.4	27.6
Long-term debt	221.1	154.0	216.9	93.8	75.8	105.3	115.8
Stockholders' equity	241.3	207.2	219.9	189.7	109.8	34.3	55.1
OTHER DATA:							
EBITDA	$ 60.4	$ 41.9	$ 85.8	$ 63.0	$ 48.6	$ 38.8	$ 25.6
Capital expenditures	30.8	18.6	40.5	22.4	8.9	7.8	4.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS OF AUTOMOTIVE INDUSTRIES HOLDING, INC.

Six Months Ended July 1, 1995 Compared with Six Months Ended July 2, 1994

Revenues

Revenues for the six months ended July 1, 1995 totaled $377.1 million compared to $236.8 million for the six months ended July 2, 1994, an increase of $140.3 million or 59.2%. The increase was the result of newly awarded business and increased production of models served by AIH, particularly in the light truck segment, combined with AIH's acquisitions of Cotton and Gulfstream.

Cost of Sales

Cost of sales as a percentage of revenues increased to 80.6% for the first six months of 1995 compared to 78.6% for the same period in 1994. The decrease in gross margin is the result of lower margins at the acquired companies (which were anticipated at the time of such acquisitions) and costs associated with program launches.

Selling, General and Administrative

Selling, general and administrative costs increased to $24.9 million or 6.6% of revenues for the six months ended July 1, 1995 compared to $16.6 million or 7.0% of revenues for the six months ended July 2, 1994. Approximately $5.6 million of the increase was the result of incremental costs associated with AIH's acquisitions. The remaining increase was due to incremental engineering and administrative costs to support the revenue growth.

Interest Expense

Interest expense for the six months ended July 1, 1995 was approximately $9.0 million or 2.4% of revenues, an increase of $5.4 million compared to the same period in 1994. Approximately $2.9 million of the increase is due to increased borrowings to finance AIH's acquisitions. The remaining increase was due to higher rates on floating rate indebtedness and increased borrowings to finance capital expenditures.

Income Taxes

The effective income tax rates for the first six months of 1995 and 1994 were 39.9% and 40.2%, respectively. The effective income tax rates differed from the federal statutory rate due primarily to the effects of state income taxes and non-deductible expenses.

Year Ended December 31, 1994 Compared with Year Ended January 1, 1994

Revenues

Revenues for the year ended December 31, 1994 increased 47.0% to $512.8 million from $348.7 million in 1993. Approximately $55.0 million of the revenue increase was due to the incremental effects of the May 1994 acquisition of Cotton and the December 1994 acquisition of Gulfstream. The remaining increase was from ongoing operations resulting from new business on several redesigned or new platforms including the GM C/K Pickup and J Car (Cavalier, Sunfire) and Ford's Windstar mini-van and Contour/Mystique. AIH also benefited from increased production by North American OEMs, particularly in the light truck segment. AIH's content per vehicle produced in North America increased 22.7% to $31.40 in 1994 from $25.60 in 1993. AIH's European sales increased to $44.6 million as a result of the Cotton acquisition.

Cost of Sales

Cost of sales, as a percentage of revenues, increased to 79.7% in 1994 from 78.5% in 1993. AIH's margins were lower than 1993 levels due to anticipated lower margins associated with the acquired businesses and start-up costs on new programs.

Selling, General and Administrative

Selling, general and administrative expenses increased by $11.0 million, but decreased to 6.9% of revenues in 1994 compared to 7.0% of revenues in 1993. The increased costs were incurred principally to support the continued growth and design, engineering and program development activities associated with future growth in new business and AIH's 1994 acquisitions.

Other

Amortization expense increased from $3.4 million in 1993 to $4.7 million in 1994 due to incremental goodwill amortization related to AIH's 1994 acquisitions. Interest expense increased from $7.1 million in 1993 to $9.3 million in 1994. The increase was the result of additional borrowings to fund AIH's 1994 acquisitions and higher interest rates on AIH's floating rate indebtedness. The effective income tax rates were 40.1% and 40.0%, respectively, for 1994 and 1993. The effective rates were higher than federal statutory rates as a result of non-deductible goodwill amortization and state income taxes.

Year Ended January 1, 1994 Compared with Year Ended December 26, 1992

Revenues

Revenues for the year ended January 1, 1994 increased 28.0% to $348.7 million from $272.4 million in 1992. The increase reflects incremental business awarded to AIH on new and redesigned vehicles, increased automotive production and revenues from acquired businesses. AIH's revenue content per vehicle produced in North America increased 9.4% from $23.40 in 1992 to $25.60 in 1993. Approximately one-half of the revenue increase resulted from the acquisition of ASAA International, Inc. in May 1993 and Fibercraft//DESCon Engineering, Inc. in July 1993. AIH also benefited from the continuing recovery in the North American automotive market.

Cost of Sales

Cost of sales, as a percentage of revenues, decreased to 78.5% in 1993 from 79.6% in 1992. The improvement was the result of AIH's continuing efforts to improve productivity and reduce costs and the effect of the increased sales on fixed costs. AIH's margins increased despite the costs associated with launch of several new programs.

Selling, General and Administrative

Selling, general and administrative expenses increased to 7.0% of revenues in 1993 compared to 6.1% of revenues in 1992. The increase was due principally to the incremental costs related to AIH's 1993 acquisitions. Costs to support the growth in revenues and new program development also led to an increase in selling, general and administrative expenses.

Other

Amortization expense increased from $2.3 million in 1992 to $3.4 million in 1993 due to additional amortization related to AIH's 1993 acquisitions. Interest expense decreased to $7.1 million in 1993 compared with $9.5 million in 1992. The decrease was due principally to the retirement of certain indebtedness with the proceeds of the public offering of AIH's Class A Common Stock in August 1993. The effective income tax rates for 1993 and 1992 were 40.0% and 40.5%, respectively. The effective tax rates were higher than federal statutory rates as a result of non-deductible goodwill amortization and state income taxes.

BUSINESS OF AUTOMOTIVE INDUSTRIES HOLDING, INC.

GENERAL

AIH is a designer and manufacturer of high-quality interior trim systems and blow molded products principally for North American and European car and light truck manufacturers. AIH's interior trim products include complete door panel assemblies, seatbacks and inserts, armrests, consoles, and headliners. Blow molded products include windshield washer reservoirs, fuel tank shields and radiator coolant overflow reservoirs. AIH's products are sold to almost every major automotive OEM including Ford, General Motors, Chrysler, Honda, Diamond Star (Mitsubishi), Mazda, Subaru, Isuzu, Nissan and Toyota and, with the Plastifol acquisition, Mercedes, Volkswagen, BMW and Jaguar.

Since 1987, AIH has achieved substantial internal growth. This growth has been augmented by selected strategic acquisitions, including Plasta Fiber Industries, Inc. ("PFI") in February 1992, Cellasto Plastics Corporation ("Cellasto") in July 1992, ASAA International, Inc. ("ASAA") in May 1993, Fibercraft//DESCon Engineering, Inc., ("Fibercraft") in July 1993, Cotton in May 1994, Gulfstream in December 1994 and Plastifol in July 1995. In addition, in January 1994 AIH completed its acquisition of an initial 40% interest in Interiores Automotrices Summa, S.A. de C.V. ("IASSA"). These acquisitions have allowed AIH to expand its interior trim systems and blow molded products capabilities and have substantially increased AIH's ability to provide advanced design, engineering and program management services to customers. At the same time, they have increased AIH's global presence and have provided AIH access to new customers and new technologies.

AIH STRATEGY

AIH's business objective is to expand its position as a leading supplier of interior trim systems and blow molded products to North American and European OEMs. To achieve this objective, AIH has pursued, and as a subsidiary of Lear will continue to pursue, a strategy based upon the following elements:

High Quality Products. AIH emphasizes the importance of product quality to all of its employees, utilizes technologically advanced machinery and production techniques, incorporates raw materials that conform to AIH's stringent quality standards, and uses advanced testing equipment and methods.

Low Delivered Cost. AIH strives to achieve low delivered costs to its customers through its emphasis on quality, as evidenced by its near-zero customer rejection rate, and its responsiveness to customer needs, including its reliable and timely delivery. AIH's in-house scrap rejection rate of less than one-half of one percent and the resulting savings from reduced scrap and rework exemplifies AIH's ability to control its costs. In addition, AIH has located its plants in areas with high-quality and relatively low-cost labor, and has equipped its facilities with technologically advanced, cost-effective machinery.

Long-Term Customer Relationships. Because of the long lead times required to obtain contracts and the reduction of in-house technical staff by OEMs, AIH has sought to develop long-term relationships with customers by working closely with them throughout all phases of new product development and subsequent production. In particular, AIH seeks to continue to develop its relationship and reputation with customers by continually exceeding their expectations in every phase of AIH's operations.

Focus on Complex, Value-Added Products. AIH focuses its efforts on a "systems" approach to developing its products. These integrated systems, rather than individual components, produce greater value for the customer since certain services such as design and engineering and subassembly are provided more cost efficiently by AIH.

Provide Complete Services from Initial Design to Manufacturing. AIH has responded to OEMs' needs for full service from their suppliers. With the acquisition of Fibercraft, AIH has enhanced its capabilities to provide cost-effective integrated development services from the initial styling of components through the manufacturing process.

Strategic Acquisitions. AIH is continually seeking to acquire businesses to complement and expand its interior trim systems and blow molded products systems capabilities. Such opportunities should continue to present themselves as OEMs continue to rationalize their supplier base toward larger more global suppliers.

AIH PRODUCTS

AIH produces interior trim systems and components as well as blow molded plastic parts principally for North American and European car and light truck manufacturers. AIH's primary interior trim systems and blow molded products are described below:

Interior Trim Systems	Blow Molded Products
- Complete door panel assemblies	- Seatbacks
- Armrests and consoles	- Windshield washer reservoirs
- Custom injection molded interior trim including "A," "B" and "C" pillars, cowl panels, scuff plates, trunk liners and quarter panels	- Fuel tank shields
	- Coolant reservoirs
	- Front grille assemblies
- Sun visors	- HVAC ducts
- Headliners and package trays	- Interior insulators
- Appliques and bolsters	- Hood insulators
- Load floors	- Engine shrouds
- Spare tire covers	- Air intake ducts
	- Exterior air dams
	- Vapor canisters

Interior Trim Systems. The core technologies used in AIH's interior trim systems include injection molding, low-pressure injection molding, rotational molding and urethane foaming, compression molding of Wood-Stock(TM) (a proprietary process that combines polypropylene and wood flour), glass reinforced urethane and a proprietary headliner process. One element of AIH's strategy is to focus on more complex, value-added products such as door panel systems and armrests. AIH delivers these integrated systems at attractive prices to the customer because certain services such as design and engineering and sub-assembly are provided more cost efficiently by AIH.

Door panel systems and armrests represent AIH's most complex products. A door panel consists of several component parts that are attached to a base molded substrate by various methods. Specific components include vinyl- or cloth-covered appliques, armrests, radio speaker grilles, map pocket compartments or carpet and sound reducing insulation. Upon assembly, each component must fit precisely, with a minimum of misalignment or gap, and must match the color of the base substrate. Armrests are produced by either rotational molding or injection molding of a vinyl covering and are then combined with an insert and filled with a resilient polyurethane foam to produce the finished product.

There has been a rapid evolution in AIH's product mix over the last four years, particularly considering AIH's rapid revenue growth over the same period. In fiscal 1987, approximately 36% of AIH's revenues were derived from component value-added assemblies such as door panel systems and armrests. For the year ended December 31, 1994, approximately 50% of AIH's revenues are derived from value-added assemblies.

Blow Molded Products. AIH produces a variety of blow molded products. In contrast to AIH's interior systems products, blow molded products require little assembly. However, the manufacturing process for such parts demands considerable expertise in order to consistently produce high-quality products. Blow molded parts are produced by extruding a shaped parison or tube of plastic material and then clamping a mold around the parison. High pressure air is introduced into the tube causing the hot plastic to take the shape of the surrounding mold. The part is removed from the mold after cooling and finished by trimming, drilling and other operations.

The combined pressures of cost reduction and fuel economy enhancement have caused automotive manufacturers to concentrate their efforts on developing and employing lower cost, lighter materials. As a result, plastic content in cars and light trucks has grown significantly. Plastics are now commonly used in such

nonstructural components as interior and exterior trim, door panels, instrument panels, grilles, bumpers, duct systems, taillights and fluid reservoirs. Increasingly, automobile content requires large plastic injection molded assemblies for both the interior and exterior. For interior trim applications, substitution of plastics for other materials is largely complete, and little growth through substitution is expected. However, further advances in injection molding technologies are improving the performance and appearance of parts molded in reinforced thermoplastics.

Product Requirements. AIH's products must conform to the increasingly exacting standards set by the North American and European OEMs. Product color, weatherability and durability are critical to AIH's success in developing the plastic automotive parts business; AIH's plants have been favorably rated by Ford, Chrysler, GM, Diamond Star, Isuzu, Mazda, Honda, Nissan, Rover and Jaguar with respect to their near-zero defect level in these areas. As a result of AIH's service and quality record, near-zero customer rejection rate, and its production rejection rate of less than one-half of one percent, the OEMs have awarded high quality ratings to AIH.

AIH CUSTOMERS

AIH supplies its products primarily to Ford, General Motors and Chrysler, but has increased its business with Diamond Star (Mitsubishi), Honda, Isuzu, Rover, Mazda, Nissan, Mercedes, BMW, Volkswagen, and Jaguar. For the year ended December 31, 1994, Ford, General Motors and Chrysler accounted for approximately 45%, 17% and 12%, respectively, of AIH's net sales.

AIH's sales of value-added assemblies and component systems have increased as a result of the OEMs' decision to reduce their internal engineering and design resources. In recent years, AIH has significantly increased its capacity to provide complete engineering and design services to support its product line. Because assembled parts such as door panels, armrests and consoles need to be designed at an early stage in the development of new automobiles or model revisions, AIH is increasingly given the opportunity to participate earlier in the product planning process. This has resulted in opportunities to add value by furnishing engineering and design services and managing the sub-assembly process for the manufacturer, as well as providing the broader range of parts that are required for the assembly.

AIH's customers typically award blanket purchase orders that normally cover parts to be supplied for a particular car model. Such purchase orders typically extend over the life of the model, which is generally four to seven years. Even though such purchase orders generally may be terminated at any time, AIH does not believe that any of its customers have terminated a material purchase order prior to the end of the life of a model. The primary risk to AIH is that an OEM will produce fewer units of a model than anticipated. In addition, AIH competes for new business to supply parts for successor models and therefore runs the risk that the OEM will not select AIH to produce parts on a successor model. In order to reduce its reliance on any one model, AIH produces parts for a broad cross-section of both new and more mature models. AIH has been

chosen as a supplier on a variety of generally successful car and light truck models. The following table presents an overview of the major models for which AIH produces interior trim and blow molded products:

UNITED STATES AND CANADA

FORD:	GENERAL MOTORS:	CHRYSLER:
Ford F-Series Pick-up Truck	Buick LeSabre	Dodge Caravan
Ford Escort	Buick Park Avenue	Dodge Dakota Pick-up Truck
Ford Explorer	Buick Regal	Plymouth Voyager
Ford Ranger	Cadillac DeVille	DIAMOND STAR:
Ford Taurus	Chevrolet Corsica	Eagle Talon
Ford Contour	Chevrolet Beretta	Mitsubishi Eclipse
Ford Econoline	Chevrolet Cavalier	Plymouth Laser
Ford Windstar	Chevrolet Lumina	HONDA:
Ford Bronco	Chevrolet C/K Pick-up Truck	Accord
Ford Thunderbird	Oldsmobile Cutlass	Civic
Ford Fiesta	Oldsmobile Delta 88	MAZDA:
Ford Scorpio	Oldsmobile 98	G26
Ford Mondeo	Pontiac Bonneville	MX6
Mercury Cougar	Pontiac Grand Prix	Probe
Mercury Mondeo	Pontiac Sunfire	Protege
Mercury Mystique		NISSAN:
Mercury Sable		King Cab Pick-up Truck
Mercury Tracer		TOYOTA:
		Camry

EUROPE

BMW:	ROVER:	MERCEDES:
3 Series	Discovery	200 Series
JAGUAR:	RX3	
J40	RX8 Theta	
XJS	Range Rover	
	VOLKSWAGEN:	
	Passat	
	Golf	

Based on its ability to service its OEM customers' needs effectively, AIH believes it will be able to maintain or expand its position on most existing models, while also expanding into new models, as further consolidation in the OEM supplier base occurs. For example, AIH has been selected as a major supplier for the 1995 model changeovers of the Ford Explorer, Ford Ranger, Ford Taurus/Mercury Sable, Ford F-Series Pick-up Truck, Oldsmobile N-Car and Chrysler Minivan.

AIH believes that the expanding presence of foreign manufacturers in North America represents an attractive growth opportunity over the next decade. AIH is currently supplying products for Diamond Star, Honda, Isuzu, Mazda and Nissan. AIH believes that it is favorably positioned to increase its business with the foreign manufacturers in the United States because of AIH's superior reputation for quality, reliability and lower delivered cost.

AIH MARKETING AND SALES

Sales of AIH's products to OEMs are made directly by AIH's sales and engineering force, headquartered in Rochester Hills, Michigan. Through the sales and engineering office, AIH services its OEM customers and manages its continuing programs of product design improvement and development. AIH's sales and engineering force consists of approximately 250 individuals, including several who are located periodically at various OEMs' offices in order to facilitate the development of new programs.

AIH operates in a highly competitive, fragmented environment, with only a few injection and blow molders generating sales in excess of $100 million. The number of AIH's competitors is expected to decrease due to the supplier consolidation resulting from changing OEM policies. AIH's major competitors include Davidson Interior Trim (a division of Textron), UT Automotive (a subsidiary of United Technologies), Prince Corporation, The Becker Group, and GM and Ford internal operations, plus a large number of smaller operations.

AIH principally competes for new business both at the beginning of the development of new models and upon the redesign of existing models by its major customers. New model development generally begins two to four years prior to the marketing of such models to the public. Once a producer has been designated to supply parts to a new program, an OEM will generally continue to purchase those parts from the designated producer for the life of the program. Competitive factors in the market for AIH's products include product quality, customer service, product mix, new product innovation, cost and timely delivery. AIH believes that the implementation of its business strategy allows it to compete effectively in the market for its products.

AIH is well positioned to succeed in this highly competitive supplier environment. AIH's size (equal to or larger than many of its competitors), quality and customer service orientation, manufacturing expertise and technological leadership all contribute to AIH's success in the automotive supply industry.

AIH EMPLOYEES

As of July 1, 1995, AIH had approximately 7,400 employees. AIH believes that its future success will depend in part on its ability to continue to recruit, retain and motivate qualified personnel at all levels of AIH. AIH has instituted a large number of employee programs to increase employee morale and expand the employees' participation in AIH's business. While most of AIH's employees are not unionized, AIH has approximately 625 hourly employees represented by labor unions. AIH has not experienced any work stoppages and considers its relations with its employees to be good.

MANAGEMENT

Set forth below is certain information concerning the executive officers of the Company.

NAME	AGE	POSITION	YEARS WITH THE COMPANY OR PREDECESSOR
Kenneth L. Way.....	56	Chairman of the Board and Chief Executive Officer	29
Robert E. Rossiter.....	49	President, Chief Operating Officer and Director of the Company	24
James H. Vandenberghe....	45	Executive Vice President and Chief Financial Officer of the Company	22
James A. Hollars.....	50	Senior Vice President and President -- International Division of the Company	22
Barthold H. Hoemann.....	56	Senior Vice President and President -- Ford Division of the Company	14
Frederick F. Sommer.....	52	Senior Vice President and President -- Automotive Industries Division of the Company	--
Donald J. Stebbins.....	37	Vice President, Treasurer and Assistant Secretary of the Company	3
Joseph F. McCarthy.....	51	Vice President, Secretary and General Counsel of the Company	1
Gerald G. Harris.....	61	Vice President and President -- GM Division of the Company	33
Terrence E. O'Rourke.....	48	Vice President and President -- Chrysler Division of the Company	1
Randal T. Murphy.....	60	Vice President and President -- BMW Division of the Company	15
Richard N. Hodgson.....	47	Vice President and President -- Components Division of the Company	13

Set forth below is a description of the business experience of each executive officer of the Company.

Kenneth L. Way. Mr. Way was elected to and has held the position of Chairman of the Board and Chief Executive Officer of the Company since 1988. Prior to this he served as Corporate Vice President, Automotive Group of Lear Siegler, Inc. ("LSI") since October 1984. During the previous six years, Mr. Way was President of LSI's General Seating Division. Prior to this, he was President of LSI's Metal Products Division in Detroit for three years. Other positions held by Mr. Way during his 29 years at Lear include Manufacturing Manager of the Metal Products Division and Manager of Production Control for the Automotive Division in Detroit. Mr. Way also serves as a director of Hayes Wheels International, Inc.

Robert E. Rossiter. Mr. Rossiter became President of the Company in 1984 and a Director and the Chief Operating Officer of the Company in 1988. He joined LSI in 1971 in the Material Control Department at the Automotive Division, then joined the Metal Products Division of LSI as Production Control Manager, and subsequently moved into sales and sales management. In 1979, he joined the General Seating Division as Vice President of Sales and worked in that position, as well as Vice President of Operations, until 1984.

James H. Vandenberghe. Mr. Vandenberghe is currently Executive Vice President and Chief Financial Officer of the Company. Mr. Vandenberghe previously served as Senior Vice President -- Finance, Secretary and Chief Financial Officer of the Company since 1988. He was appointed Executive Vice President of the Company in 1993. He joined LSI's Automotive Division in 1973 as a financial analyst and was promoted to positions at the Metal Products Division and the Automotive Group office, and in 1978 was named the Vice President -- Finance for the Plastics Division. In 1983, Mr. Vandenberghe was appointed Vice President -- Finance for General Seating Division. Prior to 1988, Mr. Vandenberghe had been responsible for project management, United States operations, and international operations of the Company.

James A. Hollars. Mr. Hollars is currently Senior Vice President and President -- International Division of the Company. He was promoted to this position in 1995. Prior to serving in this position, he was President -- International Operations of the Company since 1994. Previously he served as Senior Vice President -- International Operations of the Company since 1993 and Vice President -- International upon the sale of

LSI's Power Equipment Division to Lucas Industries in 1988. Mr. Hollars joined LSI's Metal Products Division in 1973 as the Manufacturing Manager and later served as Vice President -- Manufacturing for No-Sag Spring Division. In 1979, he was named President of the Foam Products Division and was subsequently promoted to President at the Anchorlok Division in 1985 and the Power Equipment Division in 1986.

Barthold H. Hoemann. Mr. Hoemann was elected Senior Vice President and President -- Ford Division of the Company in May 1995. Prior to serving in this position he was President -- Ford Division of the Company since November 1994. Mr. Hoemann previously served as Senior Vice President -- North American JIT Operations of the Company since 1993, as Vice President-Component Operations for the Company in 1992 and 1993 and as Vice President and General Manager of the Company's subsidiary, Lear Plastics Corporation, in 1991 and 1992. Mr. Hoemann has over 30 years experience as a senior manager and officer in manufacturing companies such as the AC Spark Plug Division of General Motors and the Plastics and Peerless Divisions of LSI.

Frederick F. Sommer. Mr. Sommer was elected Senior Vice President and President -- Automotive Industries Division of the Company upon consummation of the AIH Acquisition. Prior to the AIH Acquisition, he served as President of AIH since November 1991 and Chief Executive Officer of AIH since May 1994. From March 1992 to May 1994, Mr. Sommer served as Chief Operating Officer of AIH. Mr. Sommer also served as Executive Vice President of AIH from October 1990 until November 1991. Prior thereto, he served as Vice President -- Manufacturing and Purchasing of the U.S. subsidiary of Nissan from January 1987 until October 1990.

Donald J. Stebbins. Mr. Stebbins is currently Vice President, Treasurer and Assistant Secretary of the Company. He joined the Company in June 1992 from Bankers Trust Company, New York where he was Vice President for four years. Prior to his tenure at Bankers Trust Company, he held positions at Citibank, N.A. and The First National Bank of Chicago.

Joseph F. McCarthy. Mr. McCarthy was elected Vice President, Secretary and General Counsel of the Company in April 1994. Prior to joining the Company, Mr. McCarthy served as Vice President -- Legal and Secretary for both Hayes Wheels International, Inc. and Kelsey-Hayes Company. Prior to joining Hayes Wheels International, Inc. and Kelsey-Hayes Company, Mr. McCarthy was a partner in the law firm of Kreckman & McCarthy from 1973 to 1983.

Gerald G. Harris. Mr. Harris was elected Vice President and President -- GM Division of the Company in May 1995. Prior to serving in this position, he was President -- GM Division of the Company since November 1994. Mr. Harris previously served as Vice President and General Manager -- GM Operations since March 1994. Previously Mr. Harris served as Director -- Ford Business Unit from March 1992 to March 1994, Director of Sales from August 1990 to March 1992 and Sales Manager from January 1989 to August 1990.

Terrence E. O'Rourke. Mr. O'Rourke was elected Vice President and President -- Chrysler Division of the Company in May 1995. Prior to serving in this position, he was President -- Chrysler Division of the Company since November 1994. Previously, Mr. O'Rourke served as Director -- Strategic Planning since October 1994. Prior to joining Lear, Mr. O'Rourke was employed by Ford Motor Company as Supply Manager -- Climate Control Department from 1992 and Procurement Operations Manager from 1988.

Randal T. Murphy. Mr. Murphy was elected Vice President and President -- BMW Division of the Company in May 1995, after having served as President -- BMW Division of the Company since November 1994. Prior to serving in these positions, he was Vice President and General Manager -- Chrysler/BMW Operations since March 1994. Previously he served as Director -- JIT Operations from 1993 and Vice President -- Product Engineering from 1980.

Richard N. Hodgson. Mr. Hodgson was elected Vice President and President -- Components Division of the Company in May 1995, after having served as President -- Components Division of the Company since November 1994. Prior to serving in these positions, he was Vice President -- Components Operations since April 1993. Previously he served as Plant Manager for Lear's subsidiary, Lear Seating Canada Ltd., from 1982.

SELLING STOCKHOLDERS

The following table and accompanying footnotes set forth certain information regarding beneficial ownership of the Company's Common Stock by the Selling Stockholders as of July 15, 1995 prior to the Offerings and as adjusted to reflect the sale of 10,000,000 shares of Common Stock by the Company and 5,000,000 shares of Common Stock by the Selling Stockholders in the Offerings:

	PRIOR TO OFFERINGS			AFTER OFFERINGS	
	NUMBER OF SHARES OF COMMON STOCK OWNED BENEFICIALLY	PERCENTAGE OF COMMON STOCK(3)	SHARES OF COMMON STOCK BEING OFFERED(4)	NUMBER OF SHARES OF COMMON STOCK OWNED BENEFICIALLY(4)	PERCENTAGE OF COMMON STOCK(3)(4)
Lehman Funds(1).....	25,958,724	56.3%	4,125,000	21,833,724	38.9%
FIMA Finance Management Inc.(2).....	5,510,044	11.9	875,000	4,635,044	8.3

---

(1) The number of shares beneficially owned by the Lehman Funds comprises 9,324,051 shares of Common Stock owned by Lehman Brothers Merchant Banking Portfolio Partnership L.P. and 6,337,584 shares of Common Stock owned by Lehman Brothers Capital Partners II, L.P. (each located at Three World Financial Center, New York, New York 10285); 2,563,440 shares of Common Stock owned by Lehman Brothers Offshore Investment Partnership L.P. and 7,733,649 shares of Common Stock owned by Lehman Brothers Offshore Investment Partnership-Japan L.P. (each located at Clarendon House, Church Street, Hamilton HMCX, Bermuda). LB I Group Inc. and Lehman Brothers Holdings Inc. are the general partners of Lehman Brothers Merchant Banking Portfolio Partnership L.P. and Lehman Brothers Capital Partners II, L.P., respectively, and Lehman Brothers Offshore Partners Ltd. is the general partner of Lehman Brothers Offshore Investment Partnership-Japan L.P. and Lehman Brothers Offshore Investment Partnership L.P. Each such general partner may be deemed to own beneficially the shares directly owned by the entity of which it is the general partner. LB I Group Inc. and Lehman Brothers Offshore Partners Ltd. are wholly-owned subsidiaries of Lehman Brothers Holdings Inc. Each of the partnerships may be deemed to share with Lehman Brothers Holdings Inc. the power to vote and the power to dispose of the shares owned by such partnership. The address of Lehman Brothers Holdings Inc. is Three World Financial Center, New York, New York 10285.

(2) FIMA Finance Management Inc. ("FIMA") is a wholly-owned subsidiary of EXOR Group S.A. ("EXOR Group"), formerly IFINT, S.A. EXOR Group, a Luxembourg corporation, is the international investment holding company of IFI, S.p.A., the parent company of the Agnelli Group. The address of FIMA is Wickhams Cay, Road Town, Tortola, British Virgin Islands.

(3) Assumes that none of the Options, pursuant to which 4,600,857 shares are issuable, are exercised.

(4) The Lehman Funds have collectively, and FIMA has, granted to the Underwriters an option to purchase up to an aggregate of 1,855,000 and 395,000 additional shares of Common Stock, respectively, exercisable solely to cover over-allotments. See "Underwriting." The data set forth in the table assume that the Underwriters' over-allotment option is not exercised.

In 1988, FIMA first acquired an ownership interest in the Company by purchasing 6,435,000 shares of Common Stock of the Company. In 1991, FIMA and the Lehman Funds acquired an aggregate of 14,999,985 additional shares from the Company for an aggregate purchase price of $75.0 million and certain additional shares of Common Stock from certain other stockholders (the "1991 Common Stock Acquisition"). In 1992, the Company sold an additional $20.0 million worth of Common Stock to the Lehman Funds and FIMA (the "1992 Common Stock Acquisition"). In connection with the 1991 Common Stock Acquisition, the 1992 Common Stock Acquisition, the offering of the Senior Subordinated Notes, the NAB Acquisition, the offering of the Subordinated Notes, the IPO, the AIH Acquisition and the Offerings, Lehman Brothers, an affiliate of the Lehman Funds, has received compensation from the Company comprising underwriting fees, discounts and commissions and financial advisory fees. In addition, Lehman Commercial Paper Inc., an affiliate of the Lehman Funds, has from time to time been a lender under the Company's credit facilities and has received customary fees in such capacity.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 150,000,000 shares of Common Stock, par value $0.01 per share, and 15,000,000 shares of Preferred Stock, par value $0.01 per share.

COMMON STOCK

As of July 15, 1995, there were 46,132,364 shares of Common Stock outstanding. Holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Cumulative voting is not permitted. Subject to preferences of any Preferred Stock that may be issued in the future, the holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors. The Company is currently restricted under the terms of the Credit Agreement and of the Indentures governing the Senior Subordinated Notes and the Subordinated Notes from paying dividends to holders of Common Stock. In the event of a liquidation, dissolution or winding up of the Company, and subject to preferences of any Preferred Stock that may be issued in the future, the Common Stock is entitled to receive pro rata all of the assets of the Company available for distribution to its stockholders. There are no redemption or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable, and the shares of Common Stock to be outstanding upon the closing of the Offerings will be fully paid and non-assessable.

PREFERRED STOCK

The Board of Directors has the authority to issue up to 15,000,000 shares of Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rates, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, which may be superior to those of the Common Stock, without further vote or action by the stockholders. Although it presently has no intention to do so, the Board of Directors, without stockholder approval, can issue Preferred Stock with rights that could adversely affect the Common Stock. The issuance of Preferred Stock may have the effect of delaying, deferring or preventing a change in control of the Company. There will be no shares of Preferred Stock outstanding upon the closing of the Offerings and the Company has no present plans to issue any Preferred Stock.

STOCKHOLDERS AND REGISTRATION RIGHTS AGREEMENT

The Lehman Funds, FIMA and certain current and former officers and employees of the Company are parties to the Stockholders and Registration Rights Agreement, which contains certain provisions as to the voting and transfer of Common Stock held by those stockholders.

Under the Stockholders and Registration Rights Agreement, the parties thereto who hold Common Stock have the following registration rights. On or prior to September 28, 1996, the holders of at least 20% of the fully diluted shares of Common Stock held by parties to the Stockholders and Registration Rights Agreement that have not been transferred pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act and that continue to bear a legend referencing such agreement ("Registrable Securities") may require the Company, subject to certain conditions, to effect the registration under the Securities Act of not less than 15% of the Registrable Securities. After September 28, 1996, the holders of at least 10% of the Registrable Securities may require the Company, subject to certain conditions, to effect the registration of not less than 10% of the Registrable Securities. Upon receipt of a valid registration request, the Company is required to notify other parties to the Stockholders and Registration Rights Agreement of such request, and those parties may, subject to certain conditions, require the Company to include any of their Registrable Securities in any registration statement filed pursuant to such request.

Unless the holders of the Common Stock making a registration request otherwise consent in writing, no other person, other than a holder of Common Stock who is a party to the Stockholders and Registration Rights Agreement and who requests that its shares be included in such registration and, in the case of an underwritten offering, the Company, would be permitted to offer any securities pursuant to such registration.

Subject to certain exceptions, the Company is required to pay all expenses incurred in connection with up to a maximum of four valid registration requests and, if any requested registration is in the form of an underwritten offering, the Stockholders and Registration Rights Agreement requires the Company to designate Lehman Brothers Inc. as the managing underwriter of the offering.

In addition to the demand registration rights summarized above, the parties to the Stockholders and Registration Rights Agreement also may, subject to certain limitations, require the Company to register their shares of Common Stock whenever the Company registers any of its equity securities under the Securities Act, whether for sale for its own account or not. The Stockholders and Registration Rights Agreement provides for, in the case of underwritten offerings, certain registration priorities in the event that the managing underwriter advises the Company that the number of shares of Common Stock proposed to be included in any registration under the Securities Act exceeds the largest number of shares which can be sold without having an adverse effect on the offering. In addition, the Company and the other parties to the Stockholders and Registration Rights Agreement are subject to certain holdback provisions during the registration and sale of shares of Common Stock. Under the Stockholders and Registration Rights Agreement, the Company has agreed to indemnify selling stockholders against certain liabilities.

CERTAIN PROVISIONS OF THE RESTATED CERTIFICATE OF INCORPORATION AND AMENDED AND RESTATED BY-LAWS

The by-laws of the Company provide that the Company shall indemnify each officer and director of the Company to the fullest extent permitted by applicable law. The Restated Certificate of Incorporation also provides that, to the fullest extent permitted by the Delaware General Corporation Law, the directors of the Company shall be indemnified by the Company and shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director.

Certain provisions of the Company's Restated Certificate of Incorporation and by-laws may have the effect of preventing, discouraging or delaying any change in control of the Company and may maintain the incumbency of the Board of Directors and management. The authorization of undesignated Preferred Stock will make it possible for the Board of Directors to issue Preferred Stock without voting or other rights or preferences that could impede the success of any attempt to change control of the Company. The Company's Restated Certificate of Incorporation provides that the Board of Directors of the Company will be divided into three classes serving staggered three-year terms. Directors can be removed from office only for Cause (as defined below) and only by the affirmative vote of the holders of a majority of the then-outstanding shares of capital stock entitled to vote generally in an election of directors. Vacancies on the Board of Directors may be filed only by the remaining directors and not by the stockholders. "Cause" is defined as the willful and continuous failure substantially to perform one's duties to the Company or the willful engaging in gross misconduct materially and demonstrably injurious to the Company.

The by-laws provide that special meetings of stockholders may be called by the chairman, the president, any vice president, the secretary or any assistant secretary of the Company and must be called by any such officer at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning at least a majority of the capital stock of the Company issued and outstanding and entitled to vote. The by-laws establish an advance notice procedure for the nomination, other than by or at the direction of the Board of Directors, of candidates for election as directors as well as for other stockholder proposals to be considered at annual meetings of stockholders. In general, notice of intent to nominate a director must be received by the secretary of the Company not less than 60 nor more than 90 days prior to the date of the annual meeting, and must contain certain specified information concerning the person to be nominated. Notice of intent to raise business at such meeting must be received by the secretary of the Company not less than 120 nor more than 150 days prior to the first anniversary of the date of the Company's consent solicitation or proxy statement released in connection with the previous year's meeting.

DELAWARE ANTI-TAKEOVER LAW

The Company is subject to the provisions of Section 203 of the Delaware General Corporation Law (the "Anti-Takeover Law") regulating corporate takeovers. The Anti-Takeover Law prevents certain Delaware

corporations, including those whose securities are listed on the New York Stock Exchange, from engaging, under certain circumstances, in a "business combination" (which includes a merger or sale of more than 10% of the corporation's assets) with any "interested stockholder" (a stockholder who acquired 15% or more of a corporation's outstanding voting stock without the prior approval of the corporation's board of directors) for three years following the date that such stockholder became an "interested stockholder." The current stockholders of the Company may not, by virtue of their current holdings, be deemed to be "interested stockholders" under this statute. A Delaware corporation may "opt out" of the Anti-Takeover Law with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. The Company has not "opted out" of the provisions of the Anti-Takeover Law.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Company's Common Stock is The Bank of New York, located in New York, New York.

LISTING

The Common Stock is listed on the New York Stock Exchange under the symbol LEA.

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of certain U.S. federal income and estate tax consequences of the ownership and disposition of Common Stock by a holder that is not a "U.S. person" (a "non-U.S. holder"). A "U.S. person" is a person or entity that, for U.S. federal income tax purposes, is a citizen or resident of the United States, a corporation or partnership created or organized in the United States or under the laws of the United States or of any political subdivision thereof, or an estate or trust whose income is includible in gross income for U.S. federal income tax purposes regardless of its source. An individual will be deemed to be a resident of the United States for U.S. federal income tax purposes if: (1) such individual is a lawful permanent resident of the United States at any time during the taxable year; (2) such individual makes an election to be treated as a resident pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "Code"); or (3) such individual is present in the United States for an aggregate of 183 days or more during the calendar year. In addition, an individual will be presumed to be a resident of the United States for U.S. federal income tax purposes if such individual is present in the United States on at least 31 days in the current calendar year and for an aggregate of 183 days during the three-year period ending with the current calendar year (counting, for such purposes all of the days present in the United States during the current year, one-third of the days present during the immediately preceding year and one-sixth of the days present during the second preceding year). This presumption of residence may be rebutted if it is established that such individual has a "tax home" in a foreign country and a "closer connection" to such foreign country than to the United States, with such terms being defined in the Code. Furthermore, the determination of residence under the Code may be rebutted by application of an applicable tax treaty or convention between the United States and an appropriate foreign country that may also treat such individual as a tax resident of such country. A special definition of U.S. resident applies for U.S. federal estate tax purposes. Resident aliens are subject to U.S. federal tax as if they were U.S. citizens.

This discussion is based on Code and administrative and judicial interpretations as of the date hereof, all of which may be changed either retroactively or prospectively. This discussion does not address all the aspects of U.S. federal income and estate taxation that may be relevant to non-U.S. holders in light of their particular circumstances, nor does it address tax consequences under the laws of any U.S. state, municipality or other taxing jurisdiction or under the laws of any jurisdiction other than the United States.

Prospective holders should consult their own tax advisors about the particular U.S. federal tax consequences to them of holding and disposing of Common Stock, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

DIVIDENDS

In the event that dividends are paid to a non-U.S. holder, such dividends will be subject to United States federal withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Under current U.S. Treasury regulations, dividends paid to an address outside the United States are presumed to be paid to a resident of the country of address for purposes of the withholding tax. Under the current interpretation of U.S. Treasury regulations, the same presumption generally applies to determine the applicability of a reduced rate of withholding under a U.S. tax treaty. Thus, non-U.S. holders receiving dividends at addresses outside the United States generally are not yet required to file tax forms to obtain the benefit of an applicable treaty rate. If there is excess withholding on a person eligible for a treaty benefit, the person can file for a refund with the U.S. Internal Revenue Service (the "IRS").

Under U.S. Treasury regulations which were proposed in 1984 and which have not yet been put into effect, to claim the benefits of a tax treaty, a non-U.S. holder of Common Stock would have to file certain forms accompanied by statements from a competent authority of the treaty country attesting to the holder's eligibility to claim treaty benefits.

Generally, upon the filing of a Form 4224 with the Company, there is no withholding tax on dividends that are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Instead, the effectively connected dividends are subject to the U.S. federal income tax on net income

applicable to U.S. persons. Effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate (or a lower rate under an applicable income tax treaty) when such dividends are deemed repatriated from the United States.

GAIN ON DISPOSITION OF COMMON STOCK

A non-U.S. holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a disposition of Common Stock unless (i) the gain is effectively connected with the conduct of a trade or business of the non-U.S. holder in the United States, (ii) in the case of a non-U.S. holder who is an individual and holds the Common Stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the disposition and either (x) has a "tax home" in the United States (as specially defined for U.S. federal income tax purposes) or (y) maintains an office or other fixed place of business in the United States and the income from the sale of the stock is attributable to such office or other fixed place of business, (iii) in the case of a non-resident individual who is a partner in a foreign partnership holding the Common Stock, such non-resident individual is present in the United States for 183 or more days in the taxable year of the disposition or the gain is effectively connected with a trade or business conducted by such partnership in the United States, (iv) the non-U.S. holder is subject to tax pursuant to the provisions of U.S. tax law applicable to certain U.S. expatriates or (v) the Company is or has been a "U.S. real property holding corporation" for federal income tax purposes. The Company is not currently, has not been and does not anticipate becoming a "U.S. real property holding corporation" for U.S. federal income tax purposes.

INFORMATION REPORTING AND BACKUP WITHHOLDING TAX

The Company must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to, and the tax withheld with respect to such holder, regardless of whether tax was actually withheld. That information may also be made available to the tax authorities of the country in which the non-U.S. holder resides.

United States federal backup withholding (which generally is withholding imposed at the rate of 31% on certain payments to persons not otherwise exempt who fail to furnish certain identifying information to the IRS) will generally not apply to dividends paid to a non-U.S. holder that are subject to withholding at the 30% rate (or would be so subject but for a reduced rate under an applicable treaty). In addition, the payor of dividends may rely on the payee's foreign address in determining that the payee is exempt from backup withholding, unless the payor has knowledge that the payee is a U.S. person.

The backup withholding and information reporting requirements also apply to the gross proceeds paid to a non-U.S. holder upon the disposition of Common Stock by or through a U.S. office of a U.S. or foreign broker, unless the holder certifies to the broker under penalty of perjury as to its name, address and status as a non-U.S. holder or the holder otherwise establishes an exemption. Information reporting requirements (but not backup withholding) will apply to a payment of the proceeds of a disposition of Common Stock by or through a foreign office of (i) a U.S. broker, (ii) a foreign broker 50% or more of whose gross income for certain periods is effectively connected with the conduct of a trade or business in the United States or (iii) a foreign broker that is a "controlled foreign corporation" for U.S. federal income tax purposes, unless the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met, or the holder otherwise establishes an exemption. Neither backup withholding nor information reporting will generally apply to a payment of the proceeds of a disposition of Common Stock by or through a foreign office of a foreign broker not subject to the preceding sentence.

Any amounts withheld under the backup withholding rules will be refunded or credited against the non-U.S. holder's United States federal income tax liability, provided that required information is furnished to the IRS.

The backup withholding and information reporting rules are currently under review by the Treasury Department, and their application to the Common Stock is subject to change.

FEDERAL ESTATE TAXES

Common Stock owned or treated as owned by an individual who is neither a citizen nor a resident of the United States for federal estate tax purposes at the date of death will be included in such individual estate's for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise. Estates of nonresident aliens are generally allowed a statutory credit that is the equivalent of an exclusion of $60,000 of assets from the estate for U.S. estate tax purposes. Estate tax treaties may permit a larger credit. A special definition of U.S. resident applies for U.S. federal estate purposes.

UNDERWRITING

Under the terms of, and subject to the conditions contained in, the U.S. Underwriting Agreement, the form of which is filed as an exhibit to the Registration Statement, the underwriters named below (the "U.S. Underwriters"), for whom Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, PaineWebber Incorporated and Schroder Wertheim & Co. Incorporated are acting as representatives (the "Representatives"), have severally agreed to purchase from the Company and the Selling Stockholders, and the Company and the Selling Stockholders have agreed to sell to each U.S. Underwriter, the aggregate number of shares of Common Stock set forth opposite the name of each such U.S. Underwriter below:

U.S. UNDERWRITERS	NUMBER OF SHARES
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated	
PaineWebber Incorporated	
Schroder Wertheim & Co. Incorporated	
Total	12,000,000

Under the terms of, and subject to the conditions contained in, the International Underwriting Agreement, the form of which is filed as an exhibit to the Registration Statement, the managers named below of the concurrent offering of the Common Stock outside the United States and Canada (the "International Managers" and together with the U.S. Underwriters, the "Underwriters"), for whom Lehman Brothers International (Europe), Morgan Stanley & Co. International Limited, PaineWebber International (U.K.) Ltd. and J. Henry Schroder & Co. Limited are acting as lead managers (the "Lead Managers"), have severally agreed to purchase from the Company and the Selling Stockholders, and the Company and the Selling Stockholders have agreed to sell to each International Manager, the aggregate number of shares of Common Stock set forth opposite the name of each such International Manager below:

INTERNATIONAL MANAGERS	NUMBER OF SHARES
Lehman Brothers International (Europe)	
Morgan Stanley & Co. International Limited	
PaineWebber International (U.K.) Ltd.	
J. Henry Schroder & Co. Limited	
Total	3,000,000

The U.S. Underwriting Agreement and the International Underwriting Agreement (collectively, the "Underwriting Agreements") provide that the obligations of the U.S. Underwriters and the International Managers to purchase shares of Common Stock are subject to certain conditions, and that if any of the foregoing shares of Common Stock are purchased by the U.S. Underwriters pursuant to the U.S. Underwriting Agreement or by the International Managers pursuant to the International Underwriting Agreement, all the shares of Common Stock agreed to be purchased by either the U.S. Underwriters or the

International Managers, as the case may be, pursuant to the respective Underwriting Agreements must be so purchased. The offering price and underwriting discounts and commissions for the U.S. Offering and the International Offering are identical. The closing of the U.S. Offering is a condition to the closing of the International Offering, and the closing of the International Offering is a condition to the closing of the U.S. Offering.

The Company has been advised that the U.S. Underwriters and the International Managers propose to offer the shares of Common Stock directly to the public at the public offering price set forth on the cover page of this Prospectus, and to certain selected dealers (who may include the U.S. Underwriters and the International Managers) at such public offering price less a selling concession not in excess of $ per share. The selected dealers may reallow a concession not in excess of $ per share to certain brokers and dealers. After the public offering, the public offering price, the concession to select dealers and reallowance may be changed by the U.S. Underwriters and the International Managers.

The Company and the Selling Stockholders have agreed to indemnify the U.S. Underwriters and the International Managers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the U.S. Underwriters and the International Managers may be required to make in respect thereof.

The Selling Stockholders have granted to the U.S. Underwriters and the International Managers an option to purchase up to an aggregate of 1,800,000 and 450,000 additional shares of Common Stock, respectively, exercisable solely to cover over-allotments, at the offering price to the public less the underwriting discounts and commissions shown on the cover page of this Prospectus. All of the shares of Common Stock sold upon any exercise of this over-allotment option will be sold by the Selling Stockholders. Such option may be exercised at any time until 30 days after the date of the U.S. Underwriting Agreement and the International Underwriting Agreement, respectively. To the extent that the option is exercised, each U.S. Underwriter or International Manager, as the case may be, will be committed, subject to certain conditions, to purchase a number of the additional shares of Common Stock proportionate to such U.S. Underwriter's or International Manager's initial commitment as indicated in the preceding tables.

The Company, the Selling Stockholders and certain existing stockholders, including all of the executive officers of the Company, have agreed that they will not, subject to certain limited exceptions, for a period of 120 days from the date of this Prospectus, directly or indirectly, offer, sell or otherwise dispose of any shares of Common Stock or any securities convertible into or exchangeable or exercisable for any such shares without the prior written consent of the Representatives.

The U.S. Underwriters and the International Managers have entered into an Agreement Between U.S. Underwriters and International Managers pursuant to which each U.S. Underwriter has agreed that, as part of the distribution of the shares of Common Stock offered in the U.S. Offering, (i) it is not purchasing any such shares for the account of anyone other than a U.S. person (as defined below) and (ii) it has not offered or sold, will not offer, sell, resell or deliver, directly or indirectly, any of such shares or distribute any prospectus relating to the U.S. Offering outside the United States or Canada or to anyone other than a U.S. Person. In addition, pursuant to such agreement each International Manager has agreed that, as part of the distribution of the shares of Common Stock offered in the International Offering, (i) it is not purchasing any such shares for the account of a U.S. Person and (ii) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any of such shares or distribute any prospectus relating to the International Offering in the United States or Canada to any U.S. Person. Each International Manager has also agreed that it will offer to sell shares only in compliance with all relevant requirements of any applicable laws.

The foregoing limitations do not apply to stabilization transactions or to certain other transactions specified in the Underwriting Agreements and the Agreement Between U.S. Underwriters and International Managers, including (i) certain purchases and sales between the U.S. Underwriters and the International Managers, (ii) certain offers, sales, resales, deliveries or distributions to or through investment advisors or other persons exercising investment discretion, (iii) purchases, offers or sales by a U.S. Underwriter who is also acting as an International Manager or by an International Manager who is also acting as a U.S. Underwriter and (iv) other transactions specifically approved by the Representatives and the Lead Managers.

As used herein, (a) the term "United States" means the United States of America (including the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction, and (b) the term "U.S. Person" means any resident or national of the United States or Canada or its provinces, any corporation, partnership or other entity created or organized in or under the laws of the United States or Canada or its provinces, or any estate or trust the income of which is subject to United States or Canadian income taxation regardless of the source of its income (other than the foreign branch of any U.S. Person), and includes any United States or Canadian branch of a person other than a U.S. Person.

Each International Manager has represented and agreed that (i) it has not offered or sold and prior to the date six months after the date of issue of the shares of Common Stock will not offer or sell any shares of Common Stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 (the "1986 Act") with respect to anything done by it in relation to the shares of Common Stock in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on, and will only issue and pass on to any person in the United Kingdom, any investment advertisement (within the meaning of the 1986 Act) relating to the shares of Common Stock if that person falls within Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995.

The shares of Common Stock may not be offered or sold directly or indirectly in Hong Kong by means of this document or any other offering material or document other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or as agent. Unless permitted to do so by the securities laws of Hong Kong, no person may issue or cause to be issued in Hong Kong this document or any amendment or supplement thereto or any other information, advertisement or document relating to the shares of Common Stock other than with respect to shares of Common Stock intended to be disposed of to persons outside Hong Kong or to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or as agent.

The shares of Common Stock have not been registered under the Securities and Exchange Law of Japan and are not being offered and may not be offered or sold directly or indirectly in Japan or to residents of Japan, except pursuant to applicable Japanese laws and regulations.

No action has been taken or will be taken in any jurisdiction by the Company or the International Managers that would permit a public offering of the shares offered pursuant to the Offerings in any jurisdiction where action for that purpose is required, other than the United States and Canada and its provinces. Persons into whose possession this Prospectus comes are required by the Company and the International Managers to inform themselves about and to observe any restrictions as to the offering of the shares offered pursuant to the Offerings and the distribution of this Prospectus.

Purchasers of the shares of Common Stock offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price set forth on the cover page hereof.

Prior to the Offerings, the Lehman Funds, each an affiliate of Lehman Brothers and Lehman Brothers International (Europe), beneficially own, in the aggregate, approximately 56% of the outstanding Common Stock of the Company (assuming no outstanding Options are exercised). Therefore, the underwriting arrangements for the Offerings will comply with the requirements of Schedule E to the Bylaws of the National Association of Securities Dealers, Inc. ("NASD") regarding an NASD member firm's participation in distributing its affiliate's securities. In accordance with Schedule E, the Underwriters will not make sales of shares of Common Stock offered hereby to customers' discretionary accounts without the prior specific written approval of such customers.

The Lehman Funds will receive a portion of the proceeds from the Offerings. Five of the ten members of the Company's Board of Directors presently are employed by Lehman Brothers or The Cypress Group L.L.C.,

a company that provides consulting services to Lehman Brothers with respect to the management of the equity investments of the Lehman Funds. Lehman Brothers has from time to time provided investment banking, financial advisory and other services to the Company, for which services it has received fees.

LEGAL MATTERS

The validity of the issuance of shares of Common Stock offered hereby will be passed upon for the Company by Winston & Strawn, Chicago, Illinois. Certain legal matters in connection with the Offerings will be passed upon the U.S. Underwriters and the International Managers by Cravath, Swaine & Moore, New York, New York. Cravath, Swaine & Moore has performed, and continues to perform, services for the Lehman Funds from time to time.

EXPERTS

The audited financial statements and schedule of the Company incorporated by reference into this Prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon authority of said firm as experts in giving said reports.

The audited financial statements of the FSB incorporated by reference into this Prospectus have been audited by Arthur Andersen & Co., s.a.s., as indicated in their report with respect thereto, and are included herein in reliance upon authority of said firm as experts in giving said report.

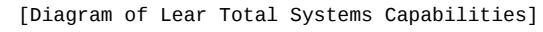
The audited financial statements of AIH and its subsidiaries incorporated by reference into this Prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon authority of said firm as experts in giving said report.

The audited financial statements of Plastifol incorporated by reference into this Prospectus have been audited by KPMG Deutsche Treuhand -- Gesellschaft, as indicated in their report with respect thereto, and are included herein in reliance upon authority of said firm as experts in giving said report.

[LEAR LOGO]

[Lear Seating Corporation is the world's largest independent automotive supplier of seat and interior systems -- with 33,000 quality-dedicated, customer-focused people through 107 facilities in 18 countries around the globe.]

LEAR TOTAL SYSTEMS CAPABILITIES



NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF THE U.S. UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

TABLE OF CONTENTS

15,000,000 SHARES

[LOGO]

COMMON STOCK

PROSPECTUS
, 1995

LEHMAN BROTHERS

MORGAN STANLEY & CO.
INCORPORATED

PAINEWEBBER INCORPORATED
SCHRODER WERTHEIM & CO.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

[ALTERNATE PAGE FOR INTERNATIONAL OFFERING]

Subject to Completion, dated September 1, 1995

PROSPECTUS

15,000,000 Shares

[LEAR LOGO]

COMMON STOCK

Of the 15,000,000 shares of Common Stock ("Common Stock") of Lear Seating Corporation ("Lear" or the "Company") being offered hereby, 10,000,000 shares are being offered by the Company and 5,000,000 shares are being offered by certain stockholders of the Company (the "Selling Stockholders"). See "Selling Stockholders." The Company will not receive any of the proceeds from the sale of Common Stock by the Selling Stockholders. Of the 15,000,000 shares of Common Stock being offered hereby, 3,000,000 shares are being offered initially outside the United States and Canada by the International Managers (the "International Offering") and 12,000,000 shares are being offered initially in the United States and Canada by the U.S. Underwriters (the "U.S. Offering" and, together with the International Offering, the "Offerings"). The public offering price and underwriting discounts and commissions per share are identical for both Offerings. See "Underwriting."

The Company's Common Stock is listed on the New York Stock Exchange under the symbol "LEA." On August 31, 1995, the reported last sale price of the Common Stock on the New York Stock Exchange Composite Tape was $28 5/8 per share.

SEE "RISK FACTORS" ON PAGE 9 HEREIN FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Stockholders
Per Share	$	$	$	$
Total(3)	$	$	$	$

(1) Lear and the Selling Stockholders have agreed to indemnify the International Managers, the U.S. Underwriters and certain other persons against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) Before deducting expenses payable by Lear estimated at $.
(3) The Selling Stockholders have granted the International Managers and the U.S. Underwriters a 30-day option to purchase up to an aggregate of 2,250,000 additional shares of Common Stock on the same terms and conditions as set forth above solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Selling Stockholders will be $, $ and $, respectively. See "Underwriting."

The shares of Common Stock offered by this Prospectus are offered by the International Managers subject to prior sale, to withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the International Managers and to certain further conditions. It is expected that delivery of certificates for shares will be made at the offices of Lehman Brothers Inc., New York, New York, on or about , 1995.

LEHMAN BROTHERS

MORGAN STANLEY & CO.
INTERNATIONAL

PAINEWEBBER INTERNATIONAL

SCHRODERS

, 1995

[ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS]

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF THE INTERNATIONAL MANAGERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

TABLE OF CONTENTS

15,000,000 SHARES

[LOGO]

COMMON STOCK

PROSPECTUS

, 1995

LEHMAN BROTHERS

MORGAN STANLEY & CO.
INTERNATIONAL

PAINEWEBBER INTERNATIONAL

SCHRODERS

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth all fees and expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered hereby (other than underwriting discounts and commissions). All of such expenses, except the S.E.C. filing fee and the NASD filing fee, are estimated.

SEC filing fee	$ 159,860
NASD filing fee	30,500
Blue sky fees and expenses	25,000
Legal fees and expenses	150,000
Accounting fees and expenses	125,000
Printing and engraving	500,000
Listing fees	100,000
Miscellaneous	9,640
Total	$1,100,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant is a Delaware corporation. Reference is made to Section 145 of the Delaware General Corporation Law, as amended (the "GCL"), which provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at its request in such capacity of another corporation or business organization against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such person's conduct was unlawful. A Delaware corporation may indemnify officers and directors in an action by or in the right of a corporation under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses that such officer or director actually and reasonably incurred.

Reference is also made to Section 102(b)(7) of the GCL, which permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit.

The certificate of incorporation of the Registrant provides for the elimination of personal liability of a director for breach of fiduciary duty as permitted by Section 102(b)(7) of the GCL and the by-laws of the Registrant provide that the Registrant shall indemnify its directors and officers to the full extent permitted by Section 145 of the GCL.

The Registrant has directors and officers liability insurance that insures the directors and officers of the Registrants against certain liabilities. In addition, Lehman Brothers Inc. has agreed to indemnify Jeffrey P. Hughes, David P. Spalding, James A. Stern, Eliot Fried and Alan Washkowitz, each being a director of the Registrant and an officer or former officer of Lehman Brothers Inc., in connection with their service as directors of the Registrant.

The Underwriting Agreements provide for indemnification by each of the U.S. Underwriters and each of the International Managers, as the case may be, of directors and officers of Lear against certain liabilities, including liabilities under the Securities Act of 1933, under certain circumstances.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A list of exhibits is set forth on the Index to Exhibits.

ITEM 17. UNDERTAKINGS

1. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

2. The undersigned Registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and this offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) For purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield, State of Michigan on August 31, 1995.

LEAR SEATING CORPORATION

By: /s/ KENNETH L. WAY

Kenneth L. Way
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment has been signed below by the following persons in the capacities and on the dates indicated:

NAME	TITLE	DATE
/s/ KENNETH L. WAY Kenneth L. Way	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	August 31, 1995
* Robert E. Rossiter	President, Chief Operating Officer and Director	August 31, 1995
/s/ JAMES H. VANDENBERGHE James H. Vandenberghe	Executive Vice President and Chief Financial Officer (Principal Financial and Principal Accounting Officer)	August 31, 1995
* Larry W. McCurdy	Director	August 31, 1995
* Gian Andrea Botta	Director	August 31, 1995
* Eliot Fried	Director	August 31, 1995
* Robert W. Shower	Director	August 31, 1995
* Jeffrey P. Hughes	Director	August 31, 1995

NAME	TITLE	DATE
*	Director	August 31, 1995
David P. Spalding		
*	Director	August 31, 1995
James A. Stern		
*	Director	August 31, 1995
Alan Washkowitz		

*By: /s/ JAMES H. VANDENBERGHE
James H. Vandenberghe
Attorney-in-Fact

INDEX TO EXHIBITS

EXHIBIT NUMBER		EXHIBIT	SEQUENTIALLY NUMBERED PAGE
1.1	--	Form of U.S. Underwriting Agreement.	*
1.2	--	Form of International Underwriting Agreement.	*
2.1	--	Agreement and Plan of Merger, dated as of July 16, 1995, among Lear, AIHI Acquisition Corp. and Automotive Industries Holding, Inc. ("AIH") (incorporated by reference to Exhibit 2.1 to Lear's Current Report on Form 8-K dated August 28, 1995).	*
5.1	--	Opinion of Winston & Strawn, special counsel to Lear.	*
23.1	--	Consent of Arthur Andersen LLP.	*
23.2	--	Consent of Arthur Andersen LLP with respect to AIH Financial Statements.	*
23.3	--	Consent of Arthur Andersen & Co., s.a.s. with respect to FSB Financial Statements.	*
23.4	--	Consent of KPMG Deutsche Treuhand-Gesellschaft with respect to the Plastifol Financial Statements.	*
23.5	--	Consent of Winston & Strawn (included in Exhibit 5.1).	*
** 24.1	--	Powers of Attorney.	*
** 27.1	--	Financial Data Schedule (incorporated by reference to Exhibit 27.1 to Lear's Quarterly Report on Form 10-Q filed August 4, 1995).	*
** 99.1	--	Amended and Restated Stockholders and Registration Rights Agreement dated as of September 27, 1991 by and among Lear, the Lehman Funds, Lehman Merchant Banking Partners Inc., as representative of the Lehman Partnerships, FIMA Finance Management Inc., a British Virgin Islands corporation, and the Management Investors (incorporated by reference to Exhibit 2.2 to Holdings' Current Report on Form 8-K dated September 24, 1991).	*
** 99.2	--	Waiver and Agreement dated September 27, 1991, by and among Holdings, Kidder Peabody Group Inc., KP/Hanover Partners 1988, L.P., General Electric Capital Corporation, FIMA Finance Management Inc., a Panamanian corporation, FIMA Finance Management Inc., a British Virgin Islands corporation, MH Capital Partners Inc., successor by merger and name change to MH Equity Corp., SO.PA.F Societa Partecipazioni Finanziarie S.p.A., INVEST Societa Italiana Investimenti S.p.A., the Lehman Partnerships and the Management Investors (incorporated by reference to Exhibit 2.3 to Holdings' Current Report on Form 8-K dated September 24, 1991).	*
** 99.3	--	Amendment to Amended and Restated Stockholders and Registration Rights Agreement (incorporated by reference to Exhibit 10.24 to Lear's Transition Report on Form 10-K filed March 31, 1994).	*
99.4	--	Waiver to Amended and Restated Stockholders and Registration Rights Agreement dated August 15, 1995.	*

** Previously filed.

[Draft -- 8/29/95]
EXHIBIT 1.1

12,000,000 Shares

LEAR SEATING CORPORATION

Common Stock

U.S. Underwriting Agreement

September , 1995

Lehman Brothers Inc.
Morgan Stanley & Co. Incorporated
PaineWebber Incorporated
Schroder Wertheim & Co. Incorporated
As Representatives for each of
the several U.S. Underwriters
named in Schedule I hereto,
c/o LEHMAN BROTHERS INC.
Three World Financial Center
New York, New York 10285

Dear Sirs:

Lear Seating Corporation, a Delaware corporation (the "Company"), proposes to issue and sell and Lehman Brothers Merchant Banking Portfolio Partnership L.P., Lehman Brothers Capital Partners II, L.P., Lehman Brothers Offshore Investment Partnership L.P. and Lehman Brothers Offshore Investment Partnership - Japan L.P. (the "Lehman Funds") and FIMA Finance Management Inc. ("FIMA") (each a "Selling Stockholder" and collectively the "Selling Stockholders") propose to sell to the several U.S. Underwriters named in Schedule I hereto (the "U.S. Underwriters") an aggregate of 12,000,000 shares (the "Firm Shares") of Common Stock, $.01 par value (the "Common Stock"), of the Company. In addition, for the sole purpose of covering over-allotments in connection with the sale of the Firm Shares, the Selling Stockholders propose to grant to the U.S. Underwriters and the International Managers (as defined below) an option to purchase up to an aggregate of 2,250,000 additional shares (the "Option Shares") of Common Stock. The Firm Shares and any Option Shares purchased pursuant to this Agreement are herein called the "Shares".

It is understood that the Company and the Selling Stockholders are concurrently entering into an International

2

Underwriting Agreement dated the date hereof (the "International Underwriting Agreement"), providing for the sale by the Company and the Selling Stockholders of an aggregate of 3,000,000 shares of Common Stock through arrangements with certain underwriters outside the United States and Canada (the "International Managers"), for whom Lehman Brothers International (Europe), Morgan Stanley & Co. International Limited, PaineWebber International (U.K.) Ltd. and J. Henry Schroder & Co. Limited are acting as lead managers (the "Lead Managers"). All shares of Common Stock to be offered by the International Managers pursuant to the International Underwriting Agreement are herein called the "International Shares"; the International Shares and the Shares, collectively, are herein called the "Underwritten Shares". As specified in Section 3, the respective closings under this Agreement and the International Underwriting Agreement are hereby expressly made conditional on one another.

The Company and the Selling Stockholders also understand that the U.S. Underwriters and the International Managers have entered into an agreement (the "Agreement Between U.S. Underwriters and International Managers") contemplating the coordination of certain transactions between the U.S. Underwriters and the International Managers and that, pursuant thereto and subject to the conditions set forth therein, the U.S. Underwriters may purchase from the International Managers a portion of the International Shares or sell to the International Managers a portion of the Shares. The Company and the Selling Stockholder understand that any such purchases and sales between the U.S. Underwriters and the International Managers shall be governed by the Agreement Between U.S. Underwriters and International Managers and shall not be governed by the terms of this Agreement or the International Underwriting Agreement.

This is to confirm the agreement concerning the purchase of the Shares from the Company and the Selling Stockholders by the U.S. Underwriters.

The following terms as used in this Agreement shall have the following meanings:

"Act" shall mean the Securities Act of 1933, as amended.

3

"Business Day" shall mean any day on which the New York Stock Exchange is open for trading.

"Commission" shall mean the Securities and Exchange Commission.

"Effective Date" shall mean the date of the Effective Time.

"Effective Time" shall mean the date and the time as of which the Registration Statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission (or, if the Company will next file with the Commission an amendment to the Registration Statement as contemplated by clause (i) of the first paragraph of Section 1, the date and time as of which the Registration Statement shall be declared effective).

"Exchange Act" shall mean the Securities Exchange Act of 1934.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"International Prospectus" shall mean a Prospectus relating to the International Shares which are to be offered and sold outside the United States to persons other than U.S. Persons.

"Preliminary Prospectuses" shall mean each prospectus included in the Registration Statement, or any amendment thereof, before the Effective Date, each prospectus filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) and each prospectus included in the Registration Statement at the Effective Time that omits Rule 430A Information.

"Prospectuses" shall mean the forms of prospectuses relating to the Underwritten Shares, as first filed pursuant to Rule 424(b) after the Execution Time or, if no filing pursuant to Rule 424(b) is required, the forms of final prospectuses included in the Registration Statement at the Effective Time.

"Registration Statement" shall mean the registration statement referred to above, as amended at the

4

Effective Time. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Time as provided by Rule 430A.

"Rule 424" and "Rule 430A" shall refer to such rules under the Act.

"Rule 430A Information" shall mean information with respect to the Underwritten Shares and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Rules and Regulations" shall mean the rules and regulations in effect at any relevant time adopted by the Commission under the Act or the Exchange Act.

"Subsidiary" and "Significant Subsidiary" shall have the meanings assigned in Rule 405 of the Rules and Regulations. As used in reference to the Company, "subsidiary" shall mean a Subsidiary of the Company.

"U.S. Person" shall mean any resident or national of the United States or Canada and its provinces, any corporation, partnership or other entity created or organized in or under the laws of the United States or Canada and its provinces or any estate or trust the income of which is subject to United States or Canadian income taxation regardless of the source of its income (other than the foreign branch of any U.S. Person), and includes any United States or Canadian branch of a person other than a U.S. Person; and "United States" shall mean the United States of America (including the states thereof and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Prospectus" shall mean a Prospectus relating to the Shares which are to be offered and sold in the United States or to U.S. Persons.

5

Reference made herein to any Preliminary Prospectus or to the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein (including all exhibits thereto) pursuant to Item 12 of Form S-3 under the Securities Act, as of the date of such Preliminary Prospectus or the Prospectus and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Exchange Act after the date of such Preliminary Prospectus or the Prospectus and incorporated by reference in such Preliminary Prospectus or the Prospectus.

1. Representations and Warranties of the Company. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-3 (File No. 33-61583) with respect to the Underwritten Shares has been prepared by the Company in conformity with the requirements of the Act and the Rules and Regulations thereunder and has been filed with the Commission under the Act. Copies of such registration statement as amended to date have been delivered by the Company to you as the Representatives of the U.S. Underwriters. The Company will next file with the Commission one of the following: (i) prior to effectiveness of such registration statement, a further amendment to such registration statement, including forms of final prospectuses or (ii) after effectiveness of such registration statement, final prospectuses in accordance with Rules 430A and 424(b)(1) or (4).

(b) On the Effective Date, the Registration Statement did or will, and when the Prospectuses are first filed (if required) in accordance with Rule 424(b) and on each Closing Date (as defined in Section 4) the Prospectuses (and any supplements thereto) will, comply in all material respects with the applicable requirements of the Act and the Rules and Regulations. The Company has included in the Registration Statement, as amended at the Effective Date, all information required by the Act and the Rules and Regulations thereunder to be included in the Prospectuses with respect to the Underwritten Shares and the offering thereof, and the Prospectuses, when filed with the Commission, did or will contain all Rule 430A Information, together with all other such required information, with respect to the Underwritten Shares and the offering thereof and, except to the extent the Representatives shall agree in

6

writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectuses) as the Company has advised you, prior to the Execution Time, will be included or made therein. The Commission has not issued any stop order preventing or suspending the use of any Preliminary Prospectus or the Prospectuses or the effectiveness of the Registration Statement, and no proceeding for any such purpose has been initiated or threatened by the Commission.

(c) On the Effective Date, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Prospectuses did not or will not, and on the date of any filing pursuant to Rule 424(b) and on each Closing Date, the Prospectuses (together with any supplements thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty as to information contained in or omitted from the Registration Statement or the Prospectuses in reliance upon, and in conformity with, written information furnished to the Company by you or any Selling Stockholder, or by any U.S. Underwriter through you, specifically for inclusion therein.

(d) The documents incorporated by reference in the Prospectuses, when they were filed with the Commission (or upon amendment thereof by other documents included in such incorporated documents), conformed in all material respects to the requirements of the Act or Exchange Act, as applicable, and the Rules and Regulations thereunder, and such documents were timely filed as required thereby and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectuses, when such documents become effective or are filed with Commission will

7

conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the Rules and Regulation thereunder, and will be timely filed as required thereby and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Neither the Commission nor, to the knowledge of the Company, the "blue sky" or securities authority of any jurisdiction has issued an order (a "Stop Order") suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectuses, the Prospectuses, the Registration Statement, or any amendment or supplement thereto, refusing to permit the effectiveness of the Registration Statement, or suspending the registration or qualification of the Shares, nor, to the knowledge of the Company, has any of such authorities instituted or threatened to institute any proceeding with respect to a Stop Order in any jurisdiction in which the Shares are sold.

(f) Each of the Company and its Subsidiaries is a corporation duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation, with full power and authority, and all necessary consents, authorizations, approvals, orders, licenses, certificates, and permits of and from, all Federal, state, local, and other governmental and foreign authorities, to own, lease, license, and use its properties and assets and to carry on its business in the manner described in the Prospectuses except where such failure will not have a material adverse effect on the Company and its subsidiaries taken as a whole. Except as described in the Registration Statement and Prospectuses, each such consent, authorization, approval, order, license, certificate and permit is valid and in full force and effect, and there is no proceeding pending, or to the knowledge of the Company, threatened, which might lead to the revocation, termination, suspension or nonrenewal of any such consent, authorization, approval, order, license, certificate or permit. Each of the Company and its Subsidiaries is duly qualified to do business and is in good standing in every jurisdiction in which its ownership, leasing, licensing, or use of property and assets or the conduct of its business makes such qualification necessary, except in those jurisdictions where failure to qualify

8

or to be in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(g) The Company has an authorized capitalization as set forth in the Registration Statement. Except as described or otherwise disclosed in the Prospectuses, each outstanding share of Common Stock and each outstanding share of capital stock of the Company's subsidiaries is duly authorized, validly issued, fully paid and nonassessable, has not been issued and is not owned or held in violation of any preemptive rights of stockholders, and, in the case of the Company's subsidiaries, is owned of record and beneficially by the Company (except for directors' qualifying shares), or its subsidiaries free and clear of all liens, security interests, pledges, charges, encumbrances, stockholders' agreements and voting trusts. The Company's capital stock conform to the statements in relation thereto contained in the Prospectuses. There is no commitment, plan or arrangement to issue, and no outstanding option, warrant or other right calling for the issuance of, any share of capital stock of the Company or the Company's subsidiaries to any person or any security or other instrument which by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or the Company's subsidiaries, except as described or otherwise disclosed in the Prospectuses. There is outstanding no security or other instrument which by its terms is convertible into or exchangeable for capital stock of the Company or any of their subsidiaries, except as described or otherwise disclosed in the Prospectuses.

(h) Other than as described in the Prospectuses, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act, other than rights that have been duly and validly waived.

(i) Neither the Company nor any of its subsidiaries has sustained, since the date of the Company's Report on Form 10-K for the year ended December 31, 1994, any material loss or interference with its business from

9

fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectuses; and, since such date, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectuses.

(j) Except as described in the Registration Statement and the Prospectuses, neither the Company nor any of its subsidiaries have entered into any material transaction or incurred any material liability or obligation, contingent or otherwise, other than in the ordinary course of business.

(k) Neither the Company nor any of its subsidiaries is now or is expected by the Company or its subsidiaries to be in violation or breach of, or in default with respect to, any provision of any contract, agreement, instrument, lease, or license to which the Company or any of its subsidiaries is a party, the effect of which would materially adversely affect the financial condition, results of operations, business, assets, liabilities or prospects of the Company and its subsidiaries taken as a whole. Each such contract, agreement, instrument, lease or license (i) is in full force, (ii) assuming the correctness of (iii) below, is the legal, valid, and binding obligation of the Company or its subsidiaries and is enforceable as to the Company or its subsidiaries, as the case may be, in accordance with its terms, except that enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general equity principles and (iii) to the Company's knowledge, is the legal, valid and binding obligation of the other parties thereto and is enforceable as to each of them in accordance with its terms, except that enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general equity principles. Each of the Company and its subsidiaries enjoys peaceful and undisturbed possession under all leases and licenses of real property

10

under which it is operating except where such failure could not reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole.

(l) The Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with the provisions of this Agreement and the International Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(m) The execution, delivery and performance of this Agreement and the International Underwriting Agreement and the consummation of the transactions contemplated hereby and thereby, the issuance and sale of the Shares, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such actions result in any violation of the provisions of the Certificate of Incorporation or the By-laws, in each case as amended, of the Company or any of its subsidiaries or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets; and no consent, approval, authorization, order, registration, filing or qualification of or with any court or governmental agency or body is required for the issue and sale of the Underwritten Shares or the consummation of the other transactions contemplated by this Agreement or the International Underwriting Agreement, except the registration under the Act of the Underwritten Shares, and such consents, approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws or as may be required by the laws of any country other than the United States in connection with the purchase and distribution of the

11

Underwritten Shares by the U.S. Underwriters and the International Managers.

(n) The Company will not, during the period of 120 days after the date hereof except pursuant to this Agreement or the International Underwriting Agreement or as contemplated by the Prospectuses, offer, sell or otherwise dispose of any Common Stock or securities convertible into or exchangeable or exercisable for such common stock of the Company, directly or indirectly without the prior written consent of the Lehman Brothers Inc.; provided, however, that the Company may issue and sell Common Stock pursuant to any employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Effective Time and the Company may issue Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding at the Effective Time.

(o) Except as may otherwise be disclosed in or contemplated by the Prospectuses, since the date as of which information is given in the Prospectuses, the Company has not (i) issued or granted any securities, (ii) incurred any liability or obligation, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any transaction not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock.

(p) Any contract, agreement, instrument, lease or license required to be described in the Registration Statement or the Prospectuses has been properly described therein, and any contract, agreement, instrument, lease or license required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to or has been incorporated as an exhibit by reference into the Registration Statement.

(q) There is no labor strike or work stoppage or lockout actually pending, imminent or threatened against the Company or any of its subsidiaries which would have a material adverse effect on the consolidated financial condition, results of operations, business, assets, liabilities or prospects of the Company and its subsidiaries taken as a whole.

(r) Except as set forth in the Registration Statement and the Prospectuses and except as would not

12

materially and adversely affect the consolidated financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole, (i) the Company is not in violation of any applicable Federal, state or local environmental law or any applicable order of any governmental authority with respect thereto; (ii) the Company is not in violation of or subject to any existing, or pending or, to the Company's knowledge, threatened action, suit, investigation, inquiry or proceeding by any governmental authority nor is the Company subject to any remedial obligations under any applicable Federal, state or local environmental law; (iii) the Company and its subsidiaries are in compliance with all permits or similar authorizations, if any, required to be obtained or filed in connection with their operations including, without limitation, emissions, discharges, treatment, storage, disposal or release of a Hazardous Material into the environment except where any noncompliance could not reasonably be expected to have a material adverse effect on the operations of the Company and its subsidiaries; and (iv) to the knowledge of the Company and its subsidiaries, after appropriate inquiry, no Hazardous Materials have been disposed of or released by the Company or its subsidiaries on or to the Company's or its subsidiaries' property, except in accordance with applicable environmental laws. The term "Hazardous Material" means any oil (including petroleum products, crude oil and any fraction thereof), chemical, contaminant, pollutant, solid or hazardous waste, or Hazardous Substance (as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act and regulations thereunder), that is regulated as toxic or hazardous to human health or the environment under any Federal, state or local environmental law.

(s) Except with respect to taxable periods commencing before the taxable period ended June 30, 1990, as to which no representation is made, the Company has filed all Federal, state and local income and franchise tax returns required to be filed through the date hereof and has paid all taxes shown to be due with respect to the taxable periods covered by such returns, and no tax deficiency has been assessed, nor does the Company have any knowledge of any tax deficiency which, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a material adverse effect on the consolidated financial condition, results of operations, business, assets,

13

liabilities or prospects of the Company and its subsidiaries taken as a whole.

(t) Neither the Company nor any of its subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(u) The financial statements (including the related notes and supporting schedules) incorporated by reference in the Prospectuses present fairly the financial condition and results of operations of the entities purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in conformity with applicable generally accepted accounting principles applied on a consistent basis throughout the periods involved.

(v) Arthur Andersen LLP, who have certified certain financial statements of the Company and AIH (as defined in the Prospectuses), Arthur Andersen & Co., s.a.s., who have certified certain financial statements of FSB (as defined in the Prospectuses), and KPMG Deutsche Treuhand-Gesellschaft who have certified certain financial statements of Plastifol (as defined in the Prospectuses) and whose reports are incorporated by reference in the Prospectus, are independent public accountants as required by the Act and the Rules and Regulations.

(w) There is no litigation or governmental proceeding pending or, to the knowledge of the Company or any of its subsidiaries, threatened against the Company or any of its subsidiaries which could reasonably be expected to result in any material adverse change in the consolidated financial condition, results of operations, business, assets, liabilities or prospects of the Company or any of its subsidiaries or which affects the transactions contemplated by this Agreement and the Prospectuses or which is required to be disclosed in the Registration Statement and

14

the Prospectuses, which is not disclosed and correctly summarized therein.

(x) The filing of the Registration Statement has been duly authorized by the Company.

(y) Each of the Company and its subsidiaries holds good and marketable title to, or valid and enforceable leasehold interests in, all items of real and personal property which are material to the business of the Company and its subsidiaries taken as a whole, free and clear of any lien, claim, encumbrance, preemptive rights or any other claim of any other third party which are reasonably expected to materially interfere with the conduct of the business of the Company and its subsidiaries taken as a whole. The Company and its subsidiaries are in material compliance with all applicable laws, rules and regulations, except where such failure to comply would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(z) The Company has not taken, and agrees that it will not take, directly or indirectly, any action that could reasonably be expected to cause or result in stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares.

2. Representations, Warranties and Agreements of the Selling Stockholders. Each Selling Stockholder represents, warrants and agrees that:

(a) Such Selling Stockholder has, and immediately prior to the First Closing Date (as defined in Section 4) such Selling Stockholder will have, good and valid title to the Underwritten Shares to be sold by such Selling Stockholders hereunder as set forth in Schedule II hereto and under the International Underwriting Agreement on such date, free and clear of all liens, encumbrances, equities or claims; and upon delivery of such Underwritten Shares and payment therefor pursuant hereto and thereto, good and valid title to such Underwritten Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several U.S. Underwriters and the International Managers.

(b) Such Selling Stockholder has duly and irrevocably executed and delivered powers of attorney (each, a "Power of Attorney") appointing one or more other persons, as attorneys-in-fact, with full power of substitution, and

15

with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and the International Underwriting Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof or thereof on behalf of such Selling Stockholder.

(c) Such Selling Stockholder has full right, power and authority to enter into and perform under this Agreement, the International Underwriting Agreement and the Power of Attorney; the execution, delivery and performance of this Agreement, the International Underwriting Agreement and the Power of Attorney by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such actions result in any violation of the provisions of the Certificate of Incorporation or the By-laws or any partnership agreement of such Selling Stockholder or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder; and no consent, approval, authorization, order, filing or registration of or with, any court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the International Underwriting Agreement or the Power of Attorney by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby, except the registration under the Act of the Underwritten Shares, filings pursuant to Sections 13 and 16 of the Exchange Act, and such consents, approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws or as may be required by the laws of any country other than the United States in connection with the purchase and distribution of the Shares by the U.S. Underwriters.

(d) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectuses, the Prospectuses or any amendment or supplement thereto are made in reliance upon and in

16

conformity with written information concerning such Selling Stockholder furnished to the Company by such Selling Stockholder specifically for use therein, such Preliminary Prospectuses did, and the Registration Statement did or will, and the Prospectuses and any amendments or supplements to the Registration Statement or the Prospectuses will, when they become effective or are filed with the Commission, as the case may be, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

3. Purchase of the Shares by the U.S. Underwriters. (a) Subject to the terms and conditions and upon the basis of the representations and warranties herein set forth, the Company agrees to issue and sell 8,000,000 shares of the Firm Shares and the Selling Stockholders agree to sell 4,000,000 shares of Firm Shares, to the U.S. Underwriters, and each of the U.S. Underwriters agrees, severally and not jointly, to purchase, at a price of $[ ] per Share, the number of Firm Shares set forth opposite such U.S. Underwriter's name in Schedule I hereto. Each U.S. Underwriter shall be obligated to purchase from the Company and from the Selling Stockholders that number of the Firm Shares which represents the same proportion of the number of the Firm Shares to be sold by the Company and by the Selling Stockholders, respectively, as the number of the Firm Shares set forth opposite the name of such U.S. Underwriter in Schedule I represents of the total number of the Firm Shares to be purchased by all of the Underwriters pursuant to this Agreement. The respective purchase obligations of the U.S. Underwriters with respect to the Firm Shares shall be rounded among the U.S. Underwriters to avoid fractional shares, as the Representatives may determine. The U.S. Underwriters agree to offer the Firm Shares to the public as set forth in the U.S. Prospectus. Each U.S. Underwriter agrees that, except to the extent permitted by the Agreement Between U.S. Underwriters and International Managers, it will not offer any of the Shares outside the United States.

The obligations of the Company hereunder to issue and sell any Shares and of the Selling Stockholders to sell any Shares, and the obligations of the U.S. Underwriters to purchase the Shares, are subject to the closing of the sale and purchase of the International Shares (excluding the International Shares issuable upon exercise of the Inter

17

national Managers' over-allotment option) pursuant to the International Underwriting Agreement.

(b) The Selling Stockholders hereby grant to the U.S. Underwriters an option to purchase from the Selling Stockholders solely for the purpose of covering over-allotments in the sale of Firm Shares, up to 1,800,000 shares of the Option Shares for a period of 30 days from the date hereof at the purchase price per Share set forth above. Option Shares shall be purchased from the Selling Stockholders for the accounts of the U.S. Underwriters, severally and not jointly, in proportion to the number of Firm Shares set forth opposite such U.S. Underwriter's name in Schedule I hereto, except that the respective purchase obligations of each U.S. Underwriter shall be adjusted by the Representatives so that no U.S. Underwriter shall be obligated to purchase Option Shares other than in 100-share quantities. Option Shares shall be sold by the Selling Stockholders in proportion to the number of Firm Shares set forth opposite such Selling Stockholder's name in Schedule II hereto, rounded among the Selling Stockholders to avoid fractional shares.

4. Delivery of and Payment for Shares. Delivery of certificates for the Firm Shares, and certificates for the Option Shares, if the option to purchase the same is exercised on or before the third Business Day prior to the First Closing Date, shall be made at the offices of Lehman Brothers Inc., [ ], New York, New York [ ] (or such other place as mutually may be agreed upon), at 10:00 A.M., New York City time, on the third full Business Day following the date of this Agreement if this Agreement is executed before 4:30 p.m. New York time, on the fourth full Business Day following the date of this Agreement if this Agreement is executed after 4:30 p.m. New York time or on such later date as shall be determined by you and the Company (the "First Closing Date").

The option to purchase Option Shares granted in Section 3 hereof may be exercised during the term specified therein by written notice to the Selling Stockholders from the Representatives. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the time and date, not earlier than either the First Closing Date or the second Business Day after the date on which the option shall have been exercised nor later than the third Business Day after the date of such

18

exercise, as determined by the Representatives, when the Option Shares are to be delivered (each an "Option Closing Date"). Delivery and payment for such Option Shares shall be made at the offices set forth above for delivery and payment of the Firm Shares. (The First Closing Date and each Option Closing Date are herein individually referred to as a "Closing Date" and collectively referred to as the "Closing Dates".)

Delivery of certificates for the Shares shall be made by or on behalf of the Company and the Selling Stockholders to you, for the respective accounts of the U.S. Underwriters, against payment of the purchase price therefor by certified or official bank check payable in New York Clearing House (next day) funds to the order of the Company and the Selling Stockholders. The certificates for the Shares shall be registered in such names and denominations as you shall have requested at least two full Business Days prior to the applicable Closing Date, and shall be made available for checking and packaging in New York, New York, or such other location as may be designated by you at least one full Business Day prior to such Closing Date. Time shall be of the essence, and delivery of certificates for the Shares at the time and place specified in this Agreement is a further condition to the obligations of each U.S. Underwriter.

5. Covenants. The Company agrees with each U.S. Underwriter that:

(a) The Company shall use its best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendments thereto to become effective. The Company shall advise you promptly of the filing of any amendment to the Registration Statement or any supplement to any Prospectus and, upon notification from the Commission that the Registration Statement or any such amendment has become effective, shall so advise you promptly (in writing, if requested). If the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of any Prospectus is otherwise required under Rule 424(b), the Company will cause such Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) in the manner and within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company shall

19

notify you promptly of any request by the Commission for any amendment of or supplement to the Registration Statement or any Prospectus or for additional information; the Company shall prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or the U.S. Prospectus which, in your reasonable opinion, may be necessary or advisable in connection with the distribution of the Shares; and the Company shall not file any amendment or supplement to the Registration Statement or the U.S. Prospectus, which filing is not consented to by you after reasonable notice thereof. The Company shall advise you promptly of the issuance by the Commission or any state or other governmental or regulatory body of any stop order or other order suspending the effectiveness of the Registration Statement, suspending or preventing the use of any Preliminary Prospectus or Prospectus or suspending the qualification of the Shares for offering or sale in any jurisdiction, or of the institution of any proceedings for any such purpose; and the Company shall use its best efforts to prevent the issuance of any stop order or other such order and, should a stop order or other such order be issued, to obtain as soon as possible the lifting thereof.

(b) The Company shall furnish to the Lehman Brothers Inc. and to counsel for the U.S. Underwriters a signed copy of the Registration Statement as originally filed and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith, and shall furnish to the U.S. Underwriters such number of conformed copies of the Registration Statement, as originally filed and each amendment thereto (excluding exhibits other than this Agreement), any Preliminary Prospectus, the U.S. Prospectus and all amendments and supplements to any of such documents, in each case as soon as available and in such quantities as the Representatives may from time to time reasonably request.

(c) Within the time during which the Prospectuses relating to the Underwritten Shares are required to be delivered under the Act, the Company shall comply with all requirements imposed upon it by the Act, the Exchange Act and the Rules and Regulations so far as is necessary to permit the continuance of sales of or dealings in the Underwritten Shares as contemplated by the provisions hereof and by the Prospectuses. If during such period any event occurs as a result of which the U.S. Prospectus as then

20

amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend the Registration Statement or supplement the U.S. Prospectus to comply with the Act or the Exchange Act or the Rules and Regulations, the Company shall promptly notify you and, subject to the penultimate sentence of paragraph (a) of this Section 6, shall amend the Registration Statement or supplement the U.S. Prospectus or file such document (at the expense of the Company) so as to correct such statement or omission or to effect such compliance.

(d) The Company shall take or cause to be taken all necessary action and furnish to whomever you may direct such information as may be required in qualifying the Shares (and any International Shares that may be sold to the U.S. Underwriters by the International Managers) for offer and sale under the state securities or Blue Sky laws of such jurisdictions as you shall designate and to continue such qualifications in effect for as long as may be necessary for the distribution of the Shares (and such International Shares); except that in no event shall the Company be obligated in connection therewith to qualify as a foreign corporation or to execute a general consent to service of process.

(e) The Company shall furnish to you, on or prior to the date of this Agreement, a letter or letters or agreement, in form and substance satisfactory to counsel for the U.S. Underwriters, pursuant to which each executive officer and director of the Company shall agree not to offer for sale, sell or otherwise dispose of any shares of Common Stock (other than the Underwritten Shares) of any securities convertible or exchangeable or exercisable for such common stock during the 120 days following the date of the Effective Date except with the prior written consent of Lehman Brothers Inc.

(f) Whether or not the transactions contemplated in this Agreement are consummated, to pay or cause to be paid the costs incident to the authorization, issuance, sale and delivery of the Shares and any expenses or taxes (including stock transfer taxes) payable in that connection; the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amend-

21

ments and exhibits thereto; the costs of distributing the Registration Statement as originally filed and each amendment and post-effective amendment thereof (including exhibits), any Preliminary Prospectus, each Prospectus and any amendment or supplement to each Prospectus, all as provided in this Agreement, the costs of printing this Agreement, the International Underwriting Agreement and other underwriting documents, including, but not limited to, Underwriters' Questionnaires, Underwriters' Powers of Attorney, Blue Sky Memoranda, Legal Investment Surveys, Agreements Among Underwriters, Selected Dealer Agreements, the Agreement Between U.S. Underwriters and International Managers, the Agreements Among International Managers and the International Selling Agreements; the filing fee of the NASD; the reasonable fees and expenses of qualifying the Shares under the securities laws of the several jurisdictions as provided in this paragraph and of preparing and printing a Blue Sky Memorandum and a memorandum concerning the legality of the Shares as an investment, if any (including reasonable fees and expenses of counsel to the U.S. Underwriters in connection therewith); the cost of printing certificates; the cost and charges of any transfer agent or registrar; the cost of delivering and distributing the Powers of Attorney and all other costs and expenses incident to the performance of the obligations of the Company and the obligations of the Selling Stockholders hereunder for which provision is not otherwise made in this Section. It is understood, however, that, except as provided in this Section, Section 8 and Section 10 hereof, each Selling Stockholder shall pay all its own costs and expenses, including the fees of its counsel and stock transfer taxes. Except as provided in this Section, Section 8 and in Section 10, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel, any transfer taxes on the Shares which they may sell and the expenses of advertising any offering of the Shares made by the U.S. Underwriters.

(g) To apply the net proceeds from the sale of the Underwritten Shares being sold by the Company as set forth in the Prospectuses.

(h) The Company shall, on or prior to each Closing Date, cause the Shares to be purchased on such date by the U.S. Underwriters to be approved for listing on the New York Stock Exchange, subject only to official notice of issuance, and shall take such action as shall be necessary

22

to comply with the rules and regulations of the New York Stock Exchange with respect to such shares.

(i) During a period of five years from the Effective Date, the Company shall furnish to the Representatives copies of all reports or other communications furnished to shareholders and copies of any reports or financial statements furnished to or filed with the Commission, the New York Stock Exchange or any other national securities exchange on which any class of securities of the Company shall be listed.

(j) As soon as practicable after the Effective Date of the Registration Statement, to make generally available to its security holders and to deliver to the U.S. Underwriters an earnings statement of the Company, conforming with the requirements of Section 11(a) of the Act, covering a period of at least 12 months beginning after the Effective Date.

6. Further Agreements of the Selling Stockholders. Each Selling Stockholder agrees:

(a) For a period of 120 days from the date of the Prospectuses, not to offer for sale, sell or otherwise dispose of, directly or indirectly, any shares of Common Stock (other than the Underwritten Shares) or any securities convertible into or exchangeable or exercisable for such common stock, without the prior written consent of Lehman Brothers Inc.

(b) To deliver to the Representatives prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-9.

7. Conditions of U.S. Underwriters' Obligations. The respective obligations of the several U.S. Underwriters hereunder are subject to the accuracy, when made and as of each Closing Date, of the representations and warranties of the Company and the Selling Stockholders contained herein, to the performance by the Company and the Selling Stockholders of their respective obligations hereunder and to each of the following additional terms and conditions:

(a) The Registration Statement and any posteffective amendment thereto has become effective under the Act; if the Registration Statement has not become effective

23

prior to the Execution Time, unless the U.S. Underwriters agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 P.M. New York City time on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 P.M. New York City time on such date or (ii) 2:00 P.M. on the business day following the day on which the public offering price was determined, if such determination occurred after 3:00 P.M. New York City time on such date; if required under Rule 424(b), the Prospectuses shall have been timely filed with the Commission in accordance with Section 6(a) hereof, not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430(A)(a)(3); no Stop Order shall have been issued and prior to that time no proceeding for that purpose shall have been initiated or threatened by the Commission; any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectuses or otherwise shall have been complied with; and the Company shall not have filed with the Commission any amendment or supplement to the Registration Statement or the Prospectuses without the consent of the Underwriters. If the Company has elected to rely upon Rule 430A of the Act, the price of the Shares and any price-related information previously omitted from the effective Registration Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the Act within the prescribed time period, and prior to the applicable Closing Date the Company shall have provided evidence satisfactory to the U.S. Underwriters of such timely filing, or a post-effective amendment providing such information shall have been prepared, filed and declared effective in accordance with the requirements of Rule 430A of the Act.

(b) No U.S. Underwriter or International Manager shall have discovered after the date hereof and disclosed to the Company on or prior to such applicable Closing Date that the Registration Statement or the Prospectuses or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Cravath, Swaine & Moore, counsel for the U.S. Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

24

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Underwritten Shares, the Registration Statement and the Prospectuses, and all other legal matters relating to this Agreement and the transactions contemplated hereby, shall be reasonably satisfactory in all respects to Cravath, Swaine & Moore, counsel for the U.S. Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) On each Closing Date, Winston & Strawn, as special counsel to the Company, shall have furnished to the U.S. Underwriters their written opinion addressed to the Underwriters and dated such Closing Date in form and substance satisfactory to the U.S. Underwriters and their counsel (with customary qualifications and assumptions agreed to by counsel for the U.S. Underwriters) to the effect that:

(i) the Company and each of its Significant Subsidiaries have been duly incorporated and are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses, requires such qualification; and have all corporate power and authority necessary to own or hold their respective properties and to conduct the business in which they are engaged as described in the Prospectus;

(ii) this Agreement and the International Underwriting Agreement have been duly authorized, executed, and delivered by the Company, are legally valid and binding obligations of the Company, and are enforceable against the Company in accordance with their terms, except to the extent that rights to indemnity or contribution hereunder and thereunder may be limited by Federal or state securities laws or the public policy underlying such laws may limit the right to indemnity and contribution thereunder; no consent, authorization, approval, order, license, certificate, or permit of or from, or declaration or filing with, any Federal, state, local or other governmental authority or any court or other tribunal is required by the Company for

25

the execution, delivery, or performance of this Agreement or the International Underwriting Agreement by the Company (except filings under the Act and the NYSE which have been made and consents, authorizations, permits, orders and other matters required by the National Association of Securities Dealers or under Blue Sky or state securities laws as to which such counsel need express no opinion);

(iii) the Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with the provisions of this Agreement and the International Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(iv) the Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Prospectuses were filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the date specified therein, no Stop Order has been issued and, to the knowledge of such counsel, no proceeding for that purpose is pending or threatened by the Commission;

(v) the Registration Statement and the Prospectuses and any further amendments or supplements thereto made by the Company prior to each Closing Date (other than the financial statements and related schedules therein and other financial and statistical information included in or excluded from the Registration Statement or the Prospectuses, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the Rules and Regulations and the documents incorporated by reference therein (other than any financial statements, related schedules and other financial and statistical information included in or excluded from the Registration Statement or the Prospectuses), at the time they were filed with the Commission, complied as

26

to form in all material respects with the Exchange Act and the applicable Rules and Regulations (except as aforesaid).

Notwithstanding the foregoing, each of such opinions may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and to court decisions with respect thereto and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and no opinion need be expressed as to the availability of equitable remedies for any breach of any such agreement.

In rendering such opinion, such counsel may (i) state that their opinion is limited to matters governed by the Federal laws of the United States of America (to the extent specifically referred to therein), the laws of the State of New York and the General Corporation Law of the State of Delaware; and (ii) rely (to the extent such counsel deems proper and specifies in their opinion), as to matters involving the application of the laws of jurisdictions other than the State of New York or the United States or the General Corporation Law of the State of Delaware upon opinions (dated the applicable Closing Date, addressed to the U.S. Underwriters and in form reasonably satisfactory to the U.S. Underwriters with signed or conformed copies for each of the U.S. Underwriters) of counsel acceptable to Cravath, Swaine & Moore. Such counsel shall also have furnished to the U.S. Underwriters a written statement, addressed to the U.S. Underwriters and dated the applicable Closing Date, in form and substance reasonably satisfactory to the U.S. Underwriters, to the effect that such counsel participated in conferences with officers and representatives of the Company, Arthur Andersen LLP, the U.S. Underwriters and Cravath, Swaine & Moore in connection with the preparation of the Registration Statement, and based on the foregoing and without assuming responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or making any independent check or verification thereof (relying as to factual matters upon the statements of officers and other representatives of the Company, the Selling Stockholders and others), no facts have come to the attention of such counsel which lead them to believe that (I) the Registration Statement, as of the Effective Date, contained any untrue

27

statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading (other than the information omitted therefrom in reliance on Rule 430A), or (II) each of the Prospectuses as amended or supplemented, as of each Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need not express an opinion or belief as to any financial statements, schedules, and other financial or statistical information included in or excluded from the Registration Statement or the Prospectuses.

(e) On each Closing Date, Joseph F. McCarthy, General Counsel to the Company, or Michael O'Shea, corporate counsel to the Company, shall have furnished to the U.S. Underwriters his written opinion addressed to the U.S. Underwriters and dated such Closing Date in form and substance satisfactory to the U.S. Underwriters (with customary qualifications and assumptions agreed to by counsel for the U.S. Underwriters) to the effect that:

(i) the Company and each of its Significant Subsidiaries have been duly incorporated and are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses, requires such qualification; and have all corporate power and authority necessary to own or hold their respective properties and to conduct the business in which they are engaged as described in the Prospectuses;

(ii) the Company has an authorized capitalization as set forth in the Prospectuses, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectuses; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued and are fully paid, nonassessable and (except for directors' qualifying shares) owned directly or

28

indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as described in the Prospectuses; to the best of such counsel's knowledge after due inquiry and investigation, there is no commitment, plan, or arrangement to issue, and no outstanding option, warrant, or other right calling for the issuance of, any share of capital stock of the Company or of the Company's subsidiaries to any person other than the Company, or any security or other instrument which by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or of the Company's subsidiaries, except as may be described in the Prospectuses or has been disclosed to the U.S. Underwriters;

(iii) the Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with this Agreement and the International Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(iv) there is no litigation, arbitration, claim, governmental or other proceeding or investigation pending or, to the best of such counsel's knowledge after due inquiry and investigation, threatened to which the Company or any of its subsidiaries is a party or to which any of their respective operations, businesses or assets is the subject which could reasonably be expected to have a material adverse effect upon the consolidated financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole; neither the Company nor any of its subsidiaries is in violation of, or in default with respect to, any law, rule, regulation, order, judgment, or decree, except as may be described in the Prospectuses or such as in the aggregate do not have a significant likelihood of having a material adverse effect upon the consolidated financial position, stockholders' equity, results of

29

operations, business or prospects of the Company and its subsidiaries taken as a whole;

(v) neither the Company nor any of its subsidiaries is now in violation or breach of, or in default with respect to, any material provision of any contract, agreement, instrument, lease or license, which is material to the Company and its subsidiaries taken as a whole;

(vi) neither the Company nor any of its subsidiaries is in violation or breach of, or in default with respect to, any term of its Certificate of Incorporation or By-laws;

(vii) the execution, delivery and performance of this Agreement and the International Underwriting Agreement and the issue and sale of the Shares will not conflict with or result in a breach or violation in any material respect of any of the terms and provisions of, or constitute a default under, any material contract, agreement, instrument, lease, or license known to such counsel, or violate or result in a breach of any term of the articles of incorporation (or other charter document) or by-laws of the Company or any of its subsidiaries, or violate, result in a breach of, or conflict with in any material respect any law or statute, rule, or regulation, or any order, judgment, or decree known to such counsel, that is binding on the Company or any of its subsidiaries or to which any of their respective operations, businesses or assets are subject; no consent, authorization, approval, order, license, certificate or permit of or from, or declaration or filing with any Federal, state, local or other governmental authority or any court or other tribunal is required by the Company for the execution, delivery or performance of this Agreement and the International Underwriting Agreement or for the issuance and sale of the Shares by the Company (except filings under the Act which have been made and consents, authorization, permits, orders and other matters required under Blue Sky or State securities laws or as may be required by the laws of any country other than the United States as to which such counsel need express no opinion);

(viii) any contract, agreement, instrument, lease or license required to be described in the Registration

30

Statement or the Prospectuses has been properly described therein; any contract, agreement, instrument, lease, or license required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to the Registration Statement;

(ix) insofar as statements in the Prospectuses purport to summarize the status of litigation or the provisions of laws, rules, regulations, orders, judgments, decrees, contracts, agreements, instruments, leases, or licenses, such statements have been prepared or reviewed by such counsel and accurately reflect, in all material respects, the status of such litigation and provisions purported to be summarized and are correct in all material respects; and

(x) there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any Underwritten Shares pursuant to the Company's Certificate of Incorporation or By-laws, in each case as amended, or any agreement or other instrument; and no holders of securities of the Company have rights to the registration thereof under the Registration Statement except as set forth in the Prospectuses or, if any such holders have such rights, such holders have waived such rights;

Notwithstanding the foregoing, each of such opinions may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and to court decisions with respect thereto and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and no opinion need be expressed as to the availability of equitable remedies for any breach of any such agreement.

In rendering such opinion, such counsel may (i) state that his opinion is limited to matters governed by the Federal laws of the United States of America to the extent specifically referred to therein, the laws of the State of Michigan and the General Corporation Law of the State of Delaware; and (ii) rely (to the extent such counsel deems proper and specifies in his opinion), as to foreign matters involving the application of the laws of jurisdictions other than the State of Michigan or the United

31

States or the corporate law of the State of Delaware upon opinions (dated each Closing Date, addressed to the U.S. Underwriters and in form reasonably satisfactory to the U.S. Underwriters with signed or conformed copies for each of the U.S. Underwriters) of counsel acceptable to Cravath, Swaine & Moore.

(f) On the First Closing Date, there shall have been furnished to you the opinion of counsel for each of the Selling Stockholders (addressed to the Underwriters), dated the Closing Date in form and substance satisfactory to the Underwriters to the effect that:

(i) each Selling Stockholder has full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

(ii) this Agreement has been duly authorized, executed and delivered by or on behalf of each Selling Stockholder; and

(iii) the execution, delivery and performance of this Agreement by each Selling Stockholder and the consummation by each Selling Stockholder of the transactions contemplated hereby will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which each Selling Stockholder is a party or by which each Selling Stockholder is bound or to which any of the property or assets of each selling Stockholder is subject, nor will such actions result in any violation in any material respect of the provisions of the partnership agreement of each Selling Stockholder or any statute or any order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over each Selling Stockholder or the property or assets of each Selling Stockholder; and no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency is required for the execution, delivery and performance of this Agreement by each Selling Stockholder and the consummation by each Selling Stockholder of the transactions contemplated hereby, except the registration under the Act of the Shares,

32

such consents approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the shares by the Underwriters or as may be required by the laws of any country other than the United States, and amendments to filings made under the Exchange Act.

(g) The Company shall have furnished to the Underwriters on each Closing Date a certificate, dated such Closing Date, of its President or a Vice President and its Chief Financial Officer stating that:

(i) the representations, warranties and agreements of the Company in Section 1 herein are true and correct as of such Closing Date; the Company has complied with all its agreements contained herein; and the conditions set forth in Paragraph 7(a) have been fulfilled; and

(ii) they have carefully examined the Registration Statement and the Prospectuses and, in their opinion, (A) as of the Effective Time of the Registration Statement, the Registration Statement did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) as of its date, each of the Prospectuses, as amended or supplemented, did not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (C) since the Effective Date of the Registration Statement or the date of each Prospectus, as the case may be, no event has occurred which should have been set forth in a supplement to or amendment of each Prospectus which has not been set forth in such a supplement or amendment.

(h) At the Effective Time and on each Closing Date, the Company shall have furnished to the U.S. Underwriters a letter of Arthur Andersen LLP addressed to the Underwriters and dated such Closing Date and in form and substance satisfactory to the U.S. Underwriters confirming that they are independent public accountants within the meaning of the Act and are in compliance with the applicable requirements relating to the qualification of accountants

33

under Rule 2-01 of Regulation S-X of the Commission, and stating, as of the date of such letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the U.S. Prospectus, as of a date not more than five days prior to the date of such letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by its letter delivered to the U.S. Underwriters concurrently with the execution of this Agreement and confirming in all material respects the conclusions and findings set forth in such prior letter.

(i) The NASD, upon review of the terms of the public offering of the Underwritten Shares, shall not have objected to the participation by any of the U.S. Underwriters in such offering or asserted any violation of the By-Laws of the NASD.

(j) Neither the Company nor any of its subsidiaries (1) shall have sustained since the date of the latest audited financial statements included in the U.S. Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the U.S. Prospectus or (2) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or result of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the U.S. Prospectus, the effect of which, in any such case described in clause (1) or (2) of this subparagraph, is, in the judgment of the U.S. Underwriters, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the U.S. Prospectus.

(k) The Shares to be purchased on such Closing Date by the U.S. Underwriters shall be approved for listing on the New York Stock Exchange, subject only to official notice of issuance and evidence of satisfactory distribution.

34

(l) Each Selling Stockholder (or one or more attorneys-in-fact on behalf of the Selling Stockholder) shall have furnished to the Representatives on each Closing Date a certificate, dated such Closing Date, signed by, or on behalf of, such Selling Stockholder (or the Custodian or one or more attorneys-in-fact) stating that the representations, warranties and agreements of such Selling Stockholder contained herein are true and correct as of such Closing Date and that such Selling Stockholder has complied with all agreements contained herein to be performed by such Selling Stockholder at or prior to the such Closing Date.

All such opinions, certificates, letters and documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are reasonably satisfactory to you and Cravath, Swaine & Moore, counsel for the U.S. Underwriters, and the Company shall furnish to you conformed copies thereof in such quantities as you reasonably request.

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each U.S. Underwriter and Selling Stockholder against any loss, claim, damage or liability (or any action in respect thereof), including without limitation, any legal or other expenses reasonably incurred by any U.S. Underwriter or Selling Stockholder in connection with defending or investigating any such action or claim, joint or several, to which such U.S. Underwriter or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any of or all the Shares under the securities laws thereof (any such application, document or information being hereinafter referred to as a "Blue Sky Application"), or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky Application a material fact required to be stated therein or necessary to

35

make the statements therein not misleading; and shall reimburse each U.S. Underwriter or Selling Stockholder promptly after receipt of invoices from such U.S. Underwriter or Selling Stockholder for any legal or other expenses as reasonably incurred by such U.S. Underwriter or Selling Stockholder in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action, notwithstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that the Company shall not be liable (x) under this paragraph 8(a) in any such case to the extent, but only to the extent, that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any U.S. Underwriter or Selling Stockholder specifically for use in the preparation of the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or any Blue Sky application.

(b) Each Selling Stockholder severally, but not jointly, shall indemnify and hold harmless the Company and each U.S. Underwriter against any loss, claim, damage or liability (or any action in respect thereof) to which the Company or such U.S. Underwriter may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky Application, or (ii) the admission or alleged admission to state in the Registration Statement any Preliminary Prospectus any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading and shall reimburse the Company or such U.S. Underwriter promptly after receipt of invoices from the Company or such U.S. Underwriter for any legal or other expenses as reasonably incurred by the Company or such U.S. Underwriter in connection with

36

investigating preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action not withstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that such indemnification or reimbursement shall be available in each such case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Selling Stockholder furnished to the Company or such U.S. Underwriter by or on behalf of such Selling Stockholder specifically for use in the preparation thereof; provided, further, that such indemnification or reimbursement shall in no case exceed the net proceeds to such Selling Stockholder from the sale of Underwritten Shares.

(c) Each U.S. Underwriter severally, but not jointly, shall indemnify and hold harmless the Company and each Selling Stockholder against any loss, claim, damage or liability (or any action in respect thereof) to which the Company or any Selling Stockholder may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application, or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading and shall reimburse the Company or such Selling Stockholder promptly after receipt of invoices from the Company or such Selling Stockholder for any legal or other expenses as reasonably incurred by the Company or such Selling Stockholder in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action notwithstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that such indemnification or reimbursement shall be

37

available in each such case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or such Selling Stockholder through you by or on behalf of such U.S. Underwriter specifically for use in the preparation thereof.

(d) Promptly after receipt by any indemnified party under subsection (a), (b) or (c) above of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure so to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been prejudiced in any material respect by such failure or from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against any indemnified party and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under such subsection for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; except that the Representatives shall have the right to employ counsel to represent you and those other U.S. Underwriters who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the U.S. Underwriters against the Company under such subsection if, in your reasonable judgment, it is advisable for you and those U.S. Underwriters to be represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the Company.

(e) If the indemnification provided for in this Section 8 is unavailable to hold harmless an indemnified party under subsection (a), (b) or (c) above, then each

38

indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, the Selling Stockholders and the U.S. Underwriters from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, the Selling Stockholders and the U.S. Underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, or actions in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Selling Stockholder and the U.S. Underwriters shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares (before deducting expenses) received by the Company and/or the Selling Stockholders bear to the total underwriting discounts and commissions received by the U.S. Underwriters, in each case as set forth in the table on the cover page of the U.S. Prospectus (with the estimated expenses allocated pro rata among the Shares and the International Shares). Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the U.S. Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Selling Stockholders and the U.S. Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were to be determined by pro rata allocation (even if the U.S. Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to in the first sentence of this subsection (d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or

39

defending against any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), (i) no U.S. Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such U.S. Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) notwithstanding the provisions of this subsection (d), no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the amount of proceeds received by such Selling Stockholder from the sale by such Selling Stockholder of its portion of the Shares pursuant to this Agreement exceed the amount of any damages such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The U.S. Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint. Each party entitled to contribution agrees that upon the service of a summons or other initial legal process upon it in any action instituted against it in respect of which contribution may be sought, it shall promptly give written notice of such service to the party or parties from whom contribution may be sought, but the omission so to notify such party or parties of any such service shall not relieve the party from whom contribution may be sought for any obligation it may have hereunder or otherwise (except as specifically provided in subsection (e) hereof).

(e) The obligations of the Company and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have, and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company, any Selling Stockholder or any U.S. Underwriter within the meaning of the Act; and the obligations of the U.S. Underwriters under this Section 8 shall be in addition to any liability that the respective U.S. Underwriters may otherwise have, and shall extend, upon the same terms and conditions, to each director of the Company (including any person who, with his or her consent,

40

is named in the Registration Statement as about to become a director of the Company) or any Selling Stockholder, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

9. Substitution of U.S. Underwriters. If, on either Closing Date, any U.S. Underwriter defaults in the performance of its obligations under this Agreement, the non-defaulting U.S. Underwriters may, but shall not be required to, find one or more substitute underwriters to purchase such Shares or may, but shall not be required to, make such other arrangements satisfactory to the Company as such non-defaulting U.S. Underwriters deem advisable, or the non-defaulting U.S. Underwriters may, but shall not be required to, agree to purchase such Shares in each case upon the terms set forth in this Agreement. If the non-defaulting U.S. Underwriters or other underwriters satisfactory to the non-defaulting U.S. Underwriters do not elect to purchase the Shares which the defaulting U.S. Underwriter agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting U.S. Underwriter or the Company, except that the Company shall continue to be liable for the payment of expenses to the extent set forth in Section 5(f) and Section 10.

Nothing contained herein shall relieve a defaulting U.S. Underwriter of any liability it may have to the Company for damages caused by its default. If other underwriters agree to purchase the Shares of the defaulting U.S. Underwriter, either the U.S. Underwriters or the Company may postpone the First Closing Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the U.S. Underwriters may be necessary in the Registration Statement, the U.S. Prospectus or in any other document or arrangement.

10. Effective Date and Termination. (a) This Agreement shall become effective at 11:00 A.M., New York City time, on the first full Business Day following the date hereof, or at such earlier time after the Registration Statement becomes effective as you shall first release the Firm Shares for sale to the public. You shall notify the Company immediately after you have taken any action which causes this Agreement to become effective. Until this

41

Agreement is effective, it may be terminated by the Company by giving notice as hereinafter provided to you, or by you by giving notice as hereinafter provided to the Company, except that the provisions of Section 5(i) and Section 8 shall at all times be effective. For purposes of this Agreement, the release of the public offering of the Firm Shares for sale to the public shall be deemed to have been made when you release, by telecopy or otherwise, firm offers of the Firm Shares to securities dealers or release for publication a newspaper advertisement relating to the Firm Shares, whichever occurs first.

(b) From the date of this Agreement until the First Closing Date, this Agreement may be terminated by you in your absolute discretion by giving notice as hereinafter provided to the Company, if (i) the Company shall have failed, refused or been unable, at or prior to such Closing Date, to perform any agreement on its part to be performed hereunder, (ii) any other condition to the obligations of the U.S. Underwriters hereunder is not fulfilled, (iii) there occurs any change, or any development involving a prospective change, in or affecting the financial condition of the Company or its subsidiaries, which in your judgment, materially impairs the investment quality of the Shares; (iv) there is any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act or Rule 15c3-1 under the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (v) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, or minimum prices shall have been established on such exchange by the Commission, or by such exchange or other regulatory body or governmental authority having jurisdiction, (vi) any banking moratorium shall have been declared by Federal or New York governmental authorities, (vii) there is an out-break or escalation of hostilities involving the United States on or after the date hereof, or the United States is or becomes engaged in hostilities which result in the declaration of a national emergency or war, the effect of which, in your judgment, makes it inadvisable or impractical to proceed with the completion of the sale of or any payment for the Shares on the terms and in the manner contemplated

42

in the Prospectuses, or (viii) there shall have been such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such), in your judgment, as to make it inadvisable or impractical to proceed with the delivery of the Shares. Any termination of this Agreement pursuant to this Section 11 shall be without liability on the part of the Company or any U.S. Underwriter, except as otherwise provided in Section 5(f), Section 8 and Section 10 of this Agreement.

Any notice referred to above may be given at the address specified in Section 12 hereof in writing or by telecopier, telex or telephone, and if by telecopier, telex or telephone, shall be immediately confirmed in writing.

If notice shall have been given pursuant to this Section 10 preventing this Agreement from becoming effective, or if the Company shall fail to tender the Shares for delivery to the U.S. Underwriters for any reason permitted under this Agreement, or if the U.S. Underwriters shall decline to purchase the Shares for any reason permitted under this Agreement, the Company shall reimburse the U.S. Underwriters for the reasonable fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by them in connection with this Agreement and the proposed purchase of the Shares, and upon demand the Company shall pay the full amount thereof to the U.S. Underwriters.

11. Survival of Certain Provisions. The agreements contained in Section 8 hereof and the representations, warranties and agreements of the Company contained in Sections 1 and 5 hereof and the Selling Stockholder contained in Sections 2 and 6 hereof shall survive the delivery of the Shares to the U.S. Underwriters hereunder and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

12. Notices. Except as otherwise provided in the Agreement, (a) whenever notice is required by the provisions of this Agreement to be given to the Company, such notice shall be in writing or by telecopy addressed to the Company at the address of the Company set forth in the Registration Statement, Attention: James H. Vandenberghe; (b) whenever notice is required by the provisions of this Agreement to be

43

given to FIMA, such notice shall be in writing or by telecopy addressed to FIMA at Wickam's Cay, Road Town, Tortola, British Virgin Islands, with a copy to IFINT-USA Inc., 375 Park Avenue, Suite 2107, New York, NY 10152, Attention: Stephen V. O'Connell; (c) whenever notice is required by the provisions of this agreement to be given to the Lehman Funds, such notice shall be in writing or by telecopy addressed to [ ]; and (d) whenever notice is required by the provisions of this Agreement to be given to the several U.S. Underwriters, such notice shall be in writing or by telecopy addressed to you, in care of Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department.

13. Information Furnished by U.S. Underwriters. The U.S. Underwriters severally confirm that the statements set forth in the last paragraph of the cover page with respect to the public offering of the Shares and under the caption "Underwriting" in any Preliminary Prospectus and in the Prospectuses are correct and constitute the written information furnished by or on behalf of any U.S. Underwriter referred to in paragraph (b) of Section 1 hereof and in paragraphs (a) and (c) of Section 8 hereof.

14. Information Furnished by Selling Stockholders. The Selling Stockholders severally confirm that the statements set forth in the last paragraph of the cover page with respect to the public offering of the Shares and under the caption "Selling Stockholders" in any Preliminary Prospectus and in the Prospectuses are correct and constitute the only written information furnished by or on behalf of the Selling Stockholder pursuant to Section 8(b) hereof.

15. Parties. This Agreement shall inure to the benefit of and binding upon the several U.S. Underwriters, the Company, the Selling Stockholders and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company and the Selling Stockholders contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any U.S. Underwriter within the meaning of Section 15 of the Act and for the benefit of any International Manager (and controlling persons thereof) who offers or sells any Shares in accordance with the terms of the Agreement Between U.S.

44

Underwriters and International Managers and (b) the indemnity agreement of the U.S. Underwriters contained in Section 8 hereof shall be deemed to be for the benefit of directors of the Company, officers of the Company who signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Act. Nothing in this Agreement shall be construed to give any person, other than the persons referred to in this paragraph, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. Compliance with Schedule E of NASD by-Laws. Each U.S. Underwriter agrees, severally and not jointly, that in accordance with Section 12 of Schedule E of the By-Laws of the NASD, a transaction in Shares issued by the Company shall not be executed by such U.S. Underwriter in a discretionary account without the prior specific written approval of the customer.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without respect to choice of law principles thereof.

18. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

45

If the foregoing correctly sets forth the agreement among the Company, the Selling Stockholder and the U.S. Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

LEAR SEATING CORPORATION,

By: _____
Name: James H. Vandenberghe
Title: Executive Vice President
and Chief Financial Officer

46

FIMA FINANCE MANAGEMENT INC., as a
Selling Stockholder,

By: _____
Name:
Title:

47

LEHMAN BROTHERS MERCHANT BANKING
PORTFOLIO PARTNERSHIP L.P., as Selling
Stockholder

By: LBI Group, Inc.

By: _____
Name:
Title:

LEHMAN BROTHERS CAPITAL
PARTNERS II, L.P., as Selling
Stockholder

By: Lehman Brothers Holdings Inc.

By: _____
Name:
Title:

LEHMAN BROTHERS OFFSHORE INVESTMENT
PARTNERSHIP L.P., as Selling
Stockholder

By: Lehman Brothers Offshore
Partners Ltd

By: _____
Name:
Title:

48

LEHMAN BROTHERS OFFSHORE INVESTMENT PARTNERSHIP - JAPAN L.P., as Selling Stockholder

By: Lehman Brothers Offshore Partners Ltd.

By: _____

Name:

Title:

49

Accepted:

LEHMAN BROTHERS INC.
MORGAN STANLEY CO. INCORPORATED
PAINEWEBBER INCORPORATED
SCHRODER WERTHEIM & CO. INCORPORATED
For themselves and as Representatives
for each of the several U.S. Underwriters
named in Schedule I hereto

By: LEHMAN BROTHERS INC.

By:_____
Name:
Title:

50

SCHEDULE I

U.S. Underwriting Agreement dated September , 1995

U.S. Underwriters	Number of Firm Shares to be Purchased
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated	
PaineWebber Incorporated	
Schroder Wertheim & Co. Incorporated	
Total	12,000,000

51

SCHEDULE II

U.S Underwriting Agreement dated September , 1995

Selling Stockholder	Number of Firm Shares to be Sold
Lehman Brother Merchant Banking Portfolio Partnership L.P.	
Lehman Brothers Capital Partners II, L.P.	
Lehman Brothers Offshore Investment Partnership L.P	
Lehman Brothers Offshore Investment Partnership - Japan L.P.	
FIMA Finance Management Inc.	
	4,000,000

EXHIBIT 1.2

[Draft -- 8/29/95]

3,000,000 Shares

LEAR SEATING CORPORATION

Common Stock

International Underwriting Agreement

September , 1995

Lehman Brothers International (Europe)
Morgan Stanley & Co. International Limited
PaineWebber International (U.K.) Ltd.
J. Henry Schroder & Co. Limited
As Lead Managers for each of
the several International Managers
named in Schedule I hereto,
c/o LEHMAN BROTHERS INTERNATIONAL (EUROPE)
One Broadgate
London EC2M 7HA
ENGLAND

Dear Sirs:

Lear Seating Corporation, a Delaware corporation (the "Company"), proposes to issue and sell and Lehman Brothers Merchant Banking Portfolio Partnership L.P., Lehman Brothers Capital Partners II, L.P., Lehman Brothers Offshore Investment Partnership L.P. and Lehman Brothers Offshore Investment Partnership - Japan L.P. (the "Lehman Funds") and FIMA Finance Management Inc. ("FIMA") (each a "Selling Stockholder" and collectively the "Selling Stockholders") propose to sell to the several International Managers named in Schedule I hereto (the "International Managers") an aggregate of 3,000,000 shares (the "Firm Shares") of Common Stock, $.01 par value (the "Common Stock"), of the Company. In addition, for the sole purpose of covering over-allotments in connection with the sale of the Firm Shares, the Selling Stockholders propose to grant to the U.S. Underwriters and the International Managers (as defined below) an option to purchase up to an aggregate of 2,250,000 additional shares (the "Option Shares") of Common Stock. The Firm Shares and any Option Shares purchased pursuant to this Agreement are herein called the "Shares".

It is understood that the Company and the Selling Stockholders are concurrently entering into a U.S. Underwriting Agreement dated the date hereof (the "U.S. Under-

2

writing Agreement"), providing for the sale by the Company and the Selling Stockholders of an aggregate of 12,000,000 shares of Common Stock through arrangements with certain underwriters in the United States and Canada (the "U.S. Underwriters"), for whom Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, PaineWebber Incorporated and Schroder Wertheim & Co. Incorporated are acting as representatives (the "Representatives"). All shares of Common Stock to be offered by the U.S. Underwriters pursuant to the U.S. Underwriting Agreement are herein called the "U.S. Shares"; the U.S. Shares and the Shares, collectively, are herein called the "Underwritten Shares". As specified in Section 3, the respective closings under this Agreement and the U.S. Underwriting Agreement are hereby expressly made conditional on one another.

The Company and the Selling Stockholders also understand that the U.S. Underwriters and the International Managers have entered into an agreement (the "Agreement Between U.S. Underwriters and International Managers") contemplating the coordination of certain transactions between the U.S. Underwriters and the International Managers and that, pursuant thereto and subject to the conditions set forth therein, the U.S. Underwriters may purchase from the International Managers a portion of the Shares or sell to the International Managers a portion of the U.S. Shares. The Company and the Selling Stockholders understand that any such purchases and sales between the U.S. Underwriters and the International Managers shall be governed by the Agreement Between U.S. Underwriters and International Managers and shall not be governed by the terms of this Agreement or the U.S. Underwriting Agreement.

This is to confirm the agreement concerning the purchase of the Shares from the Company and the Selling Stockholders by the International Managers.

The following terms as used in this Agreement shall have the following meanings:

"Act" shall mean the Securities Act of 1933, as amended.

"Business Day" shall mean any day on which the New York Stock Exchange is open for trading.

"Commission" shall mean the Securities and Exchange Commission.

3

"Effective Date" shall mean the date of the Effective Time.

"Effective Time" shall mean the date and the time as of which the Registration Statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission (or, if the Company will next file with the Commission an amendment to the Registration Statement as contemplated by clause (i) of the first paragraph of Section 1, the date and time as of which the Registration Statement shall be declared effective).

"Exchange Act" shall mean the Securities Exchange Act of 1934.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"International Prospectus" shall mean a Prospectus relating to the International Shares which are to be offered and sold outside the United States or Canada to persons other than U.S. Persons.

"Preliminary Prospectuses" shall mean each prospectus included in the Registration Statement, or any amendment thereof, before the Effective Date, each prospectus filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) and each prospectus included in the Registration Statement at the Effective Time that omits Rule 430A Information.

"Prospectuses" shall mean the forms of prospectuses relating to the Underwritten Shares, as first filed pursuant to Rule 424(b) after the Execution Time or, if no filing pursuant to Rule 424(b) is required, the forms of final prospectuses included in the Registration Statement at the Effective Time.

"Registration Statement" shall mean the registration statement referred to above, as amended at the Effective Time. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Time as provided by Rule 430A.

"Rule 424" and "Rule 430A" shall refer to such rules under the Act.

"Rule 430A Information" shall mean information with respect to the Underwritten Shares and the offering

4

thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Rules and Regulations" shall mean the rules and regulations in effect at any relevant time adopted by the Commission under the Act or the Exchange Act.

"Subsidiary" and "Significant Subsidiary" shall have the meanings assigned in Rule 405 of the Rules and Regulations. As used in reference to the Company, "subsidiary" shall mean a Subsidiary of the Company.

"U.S. Person" shall mean any resident or national of the United States or Canada and its provinces, any corporation, partnership or other entity created or organized in or under the laws of the United States or Canada and its provinces or any estate or trust the income of which is subject to United States or Canadian income taxation regardless of the source of its income (other than the foreign branch of any U.S. Person), and includes any United States or Canadian branch of a person other than a U.S. Person; and "United States" shall mean the United States of America (including the states thereof and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Prospectus" shall mean a Prospectus relating to the Shares which are to be offered and sold in the United States or Canada or to U.S. Persons.

Reference made herein to any Preliminary Prospectus or to the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein (including all exhibits thereto) pursuant to Item 12 of Form S-3 under the Securities Act, as of the date of such Preliminary Prospectus or Prospectus and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Exchange Act after the date of such Preliminary Prospectus or the Prospectus and incorporated by reference in such Preliminary Prospectus or Prospectus.

1. Representations and Warranties of the Company. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-3 (File No. 33-61583) with respect to the Underwritten Shares has been prepared by the Company in conformity with the requirements of the Act and the Rules and Regulations thereunder and has been filed with the Commission under the

5

Act. Copies of such registration statement as amended to date have been delivered by the Company to you as the Lead Managers of the International Managers. The Company will next file with the Commission one of the following: (i) prior to effectiveness of such registration statement, a further amendment to such registration statement, including forms of final prospectuses or (ii) after effectiveness of such registration statement, final prospectuses in accordance with Rules 430A and 424(b)(1) or (4).

(b) On the Effective Date, the Registration Statement did or will, and when the Prospectuses are first filed (if required) in accordance with Rule 424(b) and on each Closing Date (as defined in Section 4) the Prospectuses (and any supplements thereto) will, comply in all material respects with the applicable requirements of the Act and the Rules and Regulations. The Company has included in the Registration Statement, as amended at the Effective Date, all information required by the Act and the Rules and Regulations thereunder to be included in the Prospectuses with respect to the Underwritten Shares and the offering thereof, and the Prospectuses, when filed with the Commission, did or will contain all Rule 430A Information, together with all other such required information, with respect to the Underwritten Shares and the offering thereof and, except to the extent the Lead Managers shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectuses) as the Company has advised you, prior to the Execution Time, will be included or made therein. The Commission has not issued any stop order preventing or suspending the use of any Preliminary Prospectus or the Prospectuses or the effectiveness of the Registration Statement, and no proceeding for any such purpose has been initiated or threatened by the Commission.

(c) On the Effective Date, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Prospectuses did not or will not, and on the date of any filing pursuant to Rule 424(b) and on each Closing Date, the Prospectuses (together with any supplements thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the

6

circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty as to information contained in or omitted from the Registration Statement or the Prospectuses in reliance upon, and in conformity with, written information furnished to the Company by you or any Selling Stockholder, or by any International Manager through you, specifically for inclusion therein.

(d) The documents incorporated by reference in the Prospectuses, when they were filed with the Commission (or upon amendment thereof by other documents included in such incorporated documents), conformed in all material respects to the requirements of the Act or Exchange Act, as applicable, and the Rules and Regulations thereunder, and such documents were timely filed as required thereby and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectuses, when such documents become effective or are filed with Commission will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the Rules and Regulation thereunder, and will be timely filed as required thereby and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Neither the Commission nor, to the knowledge of the Company, the "blue sky" or securities authority of any jurisdiction has issued an order (a "Stop Order") suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectuses, the Prospectuses, the Registration Statement, or any amendment or supplement thereto, refusing to permit the effectiveness of the Registration Statement, or suspending the registration or qualification of the Shares, nor, to the knowledge of the Company, has any of such authorities instituted or threatened to institute any proceeding with respect to a Stop Order in any jurisdiction in which the Shares are sold.

(f) Each of the Company and its subsidiaries is a corporation duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation, with full power and authority, and all necessary consents, authorizations, approvals, orders, licenses, certifi-

7

cates, and permits of and from, all Federal, state, local, and other governmental and foreign authorities, to own, lease, license, and use its properties and assets and to carry on its business in the manner described in the Prospectuses except where such failure will not have a material adverse effect on the Company and its subsidiaries taken as a whole. Except as described in the Registration Statement and Prospectuses, each such consent, authorization, approval, order, license, certificate and permit is valid and in full force and effect, and there is no proceeding pending, or to the knowledge of the Company, threatened, which might lead to the revocation, termination, suspension or nonrenewal of any such consent, authorization, approval, order, license, certificate or permit. Each of the Company and its subsidiaries is duly qualified to do business and is in good standing in every jurisdiction in which its ownership, leasing, licensing, or use of property and assets or the conduct of its business makes such qualification necessary, except in those jurisdictions where failure to qualify or to be in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(g) The Company has an authorized capitalization as set forth in the Registration Statement. Except as described or otherwise disclosed in the Prospectuses, each outstanding share of Common Stock and each outstanding share of capital stock of the Company's subsidiaries is duly authorized, validly issued, fully paid and nonassessable, has not been issued and is not owned or held in violation of any preemptive rights of stockholders, and, in the case of the Company's subsidiaries, is owned of record and beneficially by the Company (except for directors' qualifying shares), or its subsidiaries free and clear of all liens, security interests, pledges, charges, encumbrances, stockholders' agreements and voting trusts. The Company's capital stock conform to the statements in relation thereto contained in the Prospectuses. There is no commitment, plan or arrangement to issue, and no outstanding option, warrant or other right calling for the issuance of, any share of capital stock of the Company or the Company's subsidiaries to any person or any security or other instrument which by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or the Company's subsidiaries, except as described or otherwise disclosed in the Prospectuses. There is outstanding no security or other instrument which by its terms is convertible into or exchangeable for capital stock of the Company or any of their subsidiaries, except as described or otherwise disclosed in the Prospectuses.

8

(h) Other than as described in the Prospectuses, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act, other than rights that have been duly and validly waived.

(i) Neither the Company nor any of its subsidiaries has sustained, since the date of the Company's Report on Form 10-K for the year ended December 31, 1994, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectuses; and, since such date, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectuses.

(j) Except as described in the Registration Statement and the Prospectuses, neither the Company nor any of its subsidiaries have entered into any material transaction or incurred any material liability or obligation, contingent or otherwise, other than in the ordinary course of business.

(k) Neither the Company nor any of its subsidiaries is now or is expected by the Company or its subsidiaries to be in violation or breach of, or in default with respect to, any provision of any contract, agreement, instrument, lease, or license to which the Company or any of its subsidiaries is a party, the effect of which would materially adversely affect the financial condition, results of operations, business, assets, liabilities or prospects of the Company and its subsidiaries taken as a whole. Each such contract, agreement, instrument, lease or license (i) is in full force, (ii) assuming the correctness of (iii) below, is the legal, valid, and binding obligation of the Company or its subsidiaries and is enforceable as to the Company or its subsidiaries, as the case may be, in accor-

9

dance with its terms, except that enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general equity principles and (iii) to the Company's knowledge, is the legal, valid and binding obligation of the other parties thereto and is enforceable as to each of them in accordance with its terms, except that enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general equity principles. Each of the Company and its subsidiaries enjoys peaceful and undisturbed possession under all leases and licenses of real property under which it is operating except where such failure could not reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole.

(l) The Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with the provisions of this Agreement and the U.S. Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(m) The execution, delivery and performance of this Agreement and the U.S. Underwriting Agreement and the consummation of the transactions contemplated hereby and thereby, the issuance and sale of the Shares, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such actions result in any violation of the provisions of the Certificate of Incorporation or the By-laws, in each case as amended, of the Company or any of its subsidiaries or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets; and no consent, approval, authorization, order, registration, filing or qualification of or with any court or governmental agency or body is required for the issue and sale of the

10

Underwritten Shares or the consummation of the other transactions contemplated by this Agreement or the U.S. Underwriting Agreement, except the registration under the Act of the Underwritten Shares, and such consents, approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws or as may be required by the laws of any country other than the United States in connection with the purchase and distribution of the Underwritten Shares by the U.S. Underwriters and the International Managers.

(n) The Company will not, during the period of 120 days after the date hereof except pursuant to this Agreement or the U.S. Underwriting Agreement or as contemplated by the Prospectuses, offer, sell or otherwise dispose of any Common Stock or securities convertible into or exchangeable or exercisable for such Common Stock of the Company, directly or indirectly, without the prior written consent of Lehman Brothers International (Europe); provided, however, that the Company may issue and sell Common Stock pursuant to any employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Effective Time and the Company may issue Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding at the Effective Time.

(o) Except as may otherwise be disclosed in or contemplated by the Prospectuses, since the date as of which information is given in the Prospectuses, the Company has not (i) issued or granted any securities, (ii) incurred any liability or obligation, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any transaction not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock.

(p) Any contract, agreement, instrument, lease or license required to be described in the Registration Statement or the Prospectuses has been properly described therein, and any contract, agreement, instrument, lease or license required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to or has been incorporated as an exhibit by reference in the Registration Statement.

(q) There is no labor strike or work stoppage or lockout actually pending, imminent or threatened against the Company or any of its subsidiaries which would have a material adverse effect on the consolidated financial condition, results of operations, business, assets, liabilities or

11

prospects of the Company and its subsidiaries taken as a whole.

(r) Except as set forth in the Registration Statement and the Prospectuses and except as would not materially and adversely affect the consolidated financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole, (i) the Company is not in violation of any applicable Federal, state or local environmental law or any applicable order of any governmental authority with respect thereto; (ii) the Company is not in violation of or subject to any existing, or pending or, to the Company's knowledge, threatened action, suit, investigation, inquiry or proceeding by any governmental authority nor is the Company subject to any remedial obligations under any applicable Federal, state or local environmental law; (iii) the Company and its subsidiaries are in compliance with all permits or similar authorizations, if any, required to be obtained or filed in connection with their operations including, without limitation, emissions, discharges, treatment, storage, disposal or release of a Hazardous Material into the environment except where any noncompliance could not reasonably be expected to have a material adverse effect on the operations of the Company and its subsidiaries; and (iv) to the knowledge of the Company and its subsidiaries, after appropriate inquiry, no Hazardous Materials have been disposed of or released by the Company or its subsidiaries on or to the Company's or its subsidiaries' property, except in accordance with applicable environmental laws. The term "Hazardous Material" means any oil (including petroleum products, crude oil and any fraction thereof), chemical, contaminant, pollutant, solid or hazardous waste, or Hazardous Substance (as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act and regulations thereunder), that is regulated as toxic or hazardous to human health or the environment under any Federal, state or local environmental law.

(s) Except with respect to taxable periods commencing before the taxable period ended June 30, 1990, as to which no representation is made, the Company has filed all Federal, state and local income and franchise tax returns required to be filed through the date hereof and has paid all taxes shown to be due with respect to the taxable periods covered by such returns, and no tax deficiency has been assessed, nor does the Company have any knowledge of any tax deficiency which, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a

12

material adverse effect on the consolidated financial condition, results of operations, business, assets, liabilities or prospects of the Company and its subsidiaries taken as a whole.

(t) Neither the Company nor any of its subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(u) The financial statements (including the related notes and supporting schedules) incorporated by reference in the Prospectus present fairly the financial condition and results of operations of the entities purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in conformity with applicable generally accepted accounting principles applied on a consistent basis throughout the periods involved.

(v) Arthur Andersen LLP, who have certified certain financial statements of the Company and AIH (as defined in the Prospectuses), Arthur Andersen & Co., s.a.s., who have certified certain financial statements of FSB (as defined in the Prospectuses) and KPMG Deutsche Treuhand-Gesellschaft, who have certified certain financial statements of Plastifol (as defined in the Prospectuses), and whose reports are incorporated by reference in the Prospectus, are independent public accountants as required by the Act and the Rules and Regulations.

(w) There is no litigation or governmental proceeding pending or, to the knowledge of the Company or any of its subsidiaries, threatened against the Company or any of its subsidiaries which could reasonably be expected to result in any material adverse change in the consolidated financial condition, results of operations, business, assets, liabilities or prospects of the Company or any of its subsidiaries or which affects the transactions contemplated by this Agreement and the Prospectuses or which is required to be disclosed in the Registration Statement and the Prospectuses, which is not disclosed and correctly summarized therein.

13

(x) The filing of the Registration Statement has been duly authorized by the Company.

(y) Each of the Company and its subsidiaries holds good and marketable title to, or valid and enforceable leasehold interests in, all items of real and personal property which are material to the business of the Company and its subsidiaries taken as a whole, free and clear of any lien, claim, encumbrance, preemptive rights or any other claim of any other third party which could reasonably be expected to materially interfere with the conduct of the business of the Company and its subsidiaries taken as a whole. The Company and its subsidiaries are in material compliance with all applicable laws, rules and regulations, except where such failure to comply would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(z) The Company has not taken, and agrees that it will not take, directly or indirectly, any action that could reasonably be expected to cause or result in stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares.

2. Representations, Warranties and Agreements of the Selling Stockholders. Each Selling Stockholder represents, warrants and agrees that:

(a) Such Selling Stockholder has, and immediately prior to the First Closing Date (as defined in Section 4) such Selling Stockholder will have, good and valid title to the Underwritten Shares to be sold by such Selling Stockholder hereunder as set forth in Schedule II hereto and under the U.S. Underwriting Agreement on such date, free and clear of all liens, encumbrances, equities or claims; and upon delivery of such Underwritten Shares and payment therefor pursuant hereto and thereto, good and valid title to such Underwritten Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several U.S. Underwriters and the International Managers.

(b) Such Selling Stockholder has duly and irrevocably executed and delivered powers of attorney (each, a "Power of Attorney") appointing one or more other persons as attorneys-in-fact, with full power of substitution, and with full authority (exercisable by any one or more of them) to execute and deliver this Agreement and the U.S. Underwriting Agreement and to take such other action as may be necessary or desirable to carry out the provisions hereof or thereof on behalf of such Selling Stockholder.

14

(c) Such Selling Stockholder has full right, power and authority to enter into and perform under this Agreement, the U.S. Underwriting Agreement and the Power of Attorney; the execution, delivery and performance of this Agreement, the U.S. Underwriting Agreement and the Power of Attorney by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which the Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such actions result in any violation of the provisions of the Certificate of Incorporation or the By-laws or any partnership agreement of such Selling Stockholder or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property or assets of such Selling Stockholder; and no consent, approval, authorization, order, filing or registration of or with, any court or governmental agency or body is required for the execution, delivery and performance of this Agreement, the U.S. Underwriting Agreement or the Power of Attorney by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated hereby and thereby, except the registration under the Act of the Underwritten Shares, filings pursuant to Sections 13 and 16 of the Exchange Act, and such consents, approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws or as may be required by the laws of any country other than the United States in connection with the purchase and distribution of the Shares by the International Managers.

(d) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectuses, the Prospectuses or any amendment or supplement thereto are made in reliance upon and in conformity with written information concerning such Selling Stockholder furnished to the Company by such Selling Stockholder specifically for use therein, such Preliminary Prospectuses did, and the Registration Statement did or will, and the Prospectuses and any amendments or supplements to the Registration Statement or the Prospectuses will, when they become effective or are filed with the Commission, as the case may be, not contain any untrue statement of a material fact or omit to state any material fact required to

15

be stated therein or necessary to make the statements therein not misleading.

3. Purchase of the Shares by the International Managers. (a) Subject to the terms and conditions and upon the basis of the representations and warranties herein set forth, the Company agrees to issue and sell 2,000,000 shares of the Firm Shares and the Selling Stockholders agree to sell 1,000,000 shares of Firm Shares, to the International Managers and each of the International Managers agrees, severally and not jointly, to purchase, at a price of $[ ] per Share, the number of Firm Shares set forth opposite such International Manager's name in Schedule I hereto. Each International Manager shall be obligated to purchase from the Company and from the Selling Stockholders that number of the Firm Shares which represents the same proportion of the number of the Firm Shares to be sold by the Company and by the Selling Stockholders, respectively, as the number of the Firm Shares set forth opposite the name of such International Manager in Schedule I represents of the total number of the Firm Shares to be purchased by all of the Underwriters pursuant to this Agreement. The respective purchase obligations of the International Managers with respect to the Firm Shares shall be rounded among the International Managers to avoid fractional shares, as the Lead Managers may determine. The International Managers agree to offer the Firm Shares to the public as set forth in the International Prospectus. Each International Manager agrees that, except to the extent permitted by the Agreement Between U.S. Underwriters and International Managers, it will not offer any of the Shares inside the United States.

The obligations of the Company hereunder to issue and sell any Shares and of the Selling Stockholders to sell any Shares, and the obligations of the International Managers to purchase the Shares, are subject to the closing of the sale and purchase of the U.S. Shares (excluding the U.S. Shares issuable upon exercise of the U.S. Underwriters' over-allotment option) pursuant to the U.S. Underwriting Agreement.

(b) The Selling Stockholders hereby grant to the International Managers an option to purchase from the Company, solely for the purpose of covering over-allotments in the sale of Firm Shares, up to 450,000 shares of the Option Shares for a period of 30 days from the date hereof at the purchase price per Share set forth above. Option Shares shall be purchased from the Selling Stockholders for the accounts of the International Managers, severally and not jointly, in proportion to the number of Firm Shares set

16

forth opposite such International Manager's name in Schedule I hereto, except that the respective purchase obligations of each International Manager shall be adjusted by the Lead Managers so that no International Manager shall be obligated to purchase Option Shares other than in 100-share quantities. Option Shares shall be sold by the Selling Stockholders in proportion to the number of Firm Shares set forth opposite such Selling Stockholder's name in Schedule II hereto, rounded among the Selling Stockholders to avoid fractional shares.

4. Delivery of and Payment for Shares. Delivery of certificates for the Firm Shares, and certificates for the Option Shares, if the option to purchase the same is exercised on or before the third Business Day prior to the First Closing Date, shall be made at the offices of Lehman Brothers Inc., [ ], New York, New York [ ] (or such other place as mutually may be agreed upon), at 10:00 A.M., New York City time, on the third full Business Day following the date of this Agreement if this Agreement is executed before 4:30 p.m. New York time, on the fourth full Business Day following the date of this Agreement if this Agreement is executed after 4:30 p.m. New York time or on such later date as shall be determined by you and the Company (the "First Closing Date").

The option to purchase Option Shares granted in Section 3 hereof may be exercised during the term specified therein by written notice to the Selling Stockholders from the Lead Managers. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the time and date, not earlier than either the First Closing Date or the second Business Day after the date on which the option shall have been exercised nor later than the third Business Day after the date of such exercise, as determined by the Representatives, when the Option Shares are to be delivered (each an "Option Closing Date"). Delivery and payment for such Option Shares shall be made at the offices set forth above for delivery and payment of the Firm Shares. (The First Closing Date and each Option Closing Date are herein individually referred to as a "Closing Date" and collectively referred to as the "Closing Dates".)

Delivery of certificates for the Shares shall be made by or on behalf of the Company and the Selling Stockholders to you, for the respective accounts of the International Managers, against payment of the purchase price therefor by certified or official bank check payable in New York Clearing House (next day) funds to the order of

17

the Company and the Selling Stockholders. The certificates for the Shares shall be registered in such names and denominations as you shall have requested at least two full Business Days prior to the applicable Closing Date, and shall be made available for checking and packaging in New York, New York, or such other location as may be designated by you at least one full Business Day prior to such Closing Date. Time shall be of the essence, and delivery of certificates for the Shares at the time and place specified in this Agreement is a further condition to the obligations of each International Manager.

5. Covenants. The Company agrees with each International Manager that:

(a) The Company shall use its best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendments thereto to become effective. The Company shall advise you promptly of the filing of any amendment to the Registration Statement or any supplement to any Prospectus and, upon notification from the Commission that the Registration Statement or any such amendment has become effective, shall so advise you promptly (in writing, if requested). If the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of any Prospectus is otherwise required under Rule 424(b), the Company will cause such Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) in the manner and within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company shall notify you promptly of any request by the Commission for any amendment of or supplement to the Registration Statement or any Prospectus or for additional information; the Company shall prepare and file with the Commission, promptly upon your request, any amendments or supplements to the Registration Statement or the International Prospectus which, in your reasonable opinion, may be necessary or advisable in connection with the distribution of the Shares; and the Company shall not file any amendment or supplement to the Registration Statement or the International Prospectus, which filing is not consented to by you after reasonable notice thereof. The Company shall advise you promptly of the issuance by the Commission or any state or other governmental or regulatory body of any stop order or other order suspending the effectiveness of the Registration Statement, suspending or preventing the use of any Preliminary Prospectus or Prospectus or suspending the qualification of the Shares for offering or sale in any

18

jurisdiction, or of the institution of any proceedings for any such purpose; and the Company shall use its best efforts to prevent the issuance of any stop order or other such order and, should a stop order or other such order be issued, to obtain as soon as possible the lifting thereof.

(b) The Company shall furnish to Lehman Brothers International (Europe) and to counsel for the International Managers a signed copy of the Registration Statement as originally filed and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith, and shall furnish to the International Managers such number of conformed copies of the Registration Statement, as originally filed and each amendment thereto (excluding exhibits other than this Agreement), any Preliminary Prospectus, the International Prospectus and all amendments and supplements to any of such documents, in each case as soon as available and in such quantities as the Lead Managers may from time to time reasonably request.

(c) Within the time during which the Prospectuses relating to the Underwritten Shares are required to be delivered under the Act, the Company shall comply with all requirements imposed upon it by the Act, the Exchange Act and the Rules and Regulations so far as is necessary to permit the continuance of sales of or dealings in the Underwritten Shares as contemplated by the provisions hereof and by the Prospectuses. If during such period any event occurs as a result of which the International Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend the Registration Statement or supplement the International Prospectus to comply with the Act or the Exchange Act or the Rules and Regulations, the Company shall promptly notify you and, subject to the penultimate sentence of paragraph (a) of this Section 6, shall amend the Registration Statement or supplement the International Prospectus or file such document (at the expense of the Company) so as to correct such statement or omission or to effect such compliance.

(d) The Company shall take or cause to be taken all necessary action and furnish to whomever you may direct such information as may be required in qualifying the Shares (and any U.S. Shares that may be sold to the International Managers by the U.S. Underwriters) for offer and sale under the state securities or Blue Sky laws of such jurisdictions as you shall designate and to continue such qualifications

19

in effect for as long as may be necessary for the distribution of the Shares (and such International Shares); except that in no event shall the Company be obligated in connection therewith to qualify as a foreign corporation or to execute a general consent to service of process.

(e) The Company shall furnish to you, on or prior to the date of this Agreement, a letter or letters, in form and substance satisfactory to counsel for the International Managers, pursuant to which each executive officer and director of the Company shall agree not to offer for sale, sell or otherwise dispose of any shares of Common Stock (other than the Underwritten Shares) of any securities convertible or exchangeable or exercisable for such Common Stock during the 120 days following the date of the Effective Time except with prior written consent of Lehman Brothers International (Europe).

(f) Whether or not the transactions contemplated in this Agreement are consummated, to pay or cause to be paid the costs incident to the authorization, issuance, sale and delivery of the Shares and any expenses or taxes (including stock transfer taxes) payable in that connection; the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amendments and exhibits thereto; the costs of distributing the Registration Statement as originally filed and each amendment and post-effective amendment thereof (including exhibits), any Preliminary Prospectus, each Prospectus and any amendment or supplement to each Prospectus, all as provided in this Agreement, the costs of printing this Agreement, the U.S. Underwriting Agreement and other underwriting documents, including, but not limited to, Underwriters' Questionnaires, Underwriters' Powers of Attorney, Blue Sky Memoranda, Legal Investment Surveys, Agreements Among Underwriters, Selected Dealer Agreements, the Agreement Between U.S. Underwriters and International Managers, the Agreements Among International Managers and the International Selling Agreements; the filing fee of the NASD; the reasonable fees and expenses of qualifying the Shares under the securities laws of the several jurisdictions as provided in this paragraph and of preparing and printing a Blue Sky Memorandum and a memorandum concerning the legality of the Shares as an investment, if any (including reasonable fees and expenses of counsel to the International Managers in connection therewith); the cost of printing certificates; the cost and charges of any transfer agent or registrar; the cost of delivering and distributing the Powers of Attorney and all other costs and expenses incident to the performance of the obligations of

20

the company and the obligations of the Selling Stockholders hereunder for which provision is not otherwise made in this Section. It is understood, however, that, except as provided in this Section, Section 8 and Section 10 hereof, each Selling Stockholder shall pay all its own costs and expenses, including the fees of its counsel and stock transfer taxes.

(g) To apply the net proceeds from the sale of the Underwritten Shares being sold by the Company as set forth in the Prospectuses.

(h) The Company shall, on or prior to each Closing Date, cause the Shares to be purchased on such date by the International Managers to be approved for listing on the New York Stock Exchange, subject only to official notice of issuance, and shall take such action as shall be necessary to comply with the rules and regulations of the New York Stock Exchange with respect to such shares.

(i) During a period of five years from the Effective Date, the Company shall furnish to the Lead Managers copies of all reports or other communications furnished to shareholders and copies of any reports or financial statements furnished to or filed with the Commission, the New York Stock Exchange or any other national securities exchange on which any class of securities of the Company shall be listed.

(j) As soon as practicable after the Effective Date of the Registration Statement, to make generally available to its security holders and to deliver to the International Managers an earnings statement of the Company, conforming with the requirements of Section 11(a) of the Act, covering a period of at least 12 months beginning after the Effective Date.

6. Further Agreements of the Selling Stockholders. Each Selling Stockholder agrees:

(a) For a period of 120 days from the date of the Prospectuses, not to offer for sale, sell or otherwise dispose of, directly or indirectly, any shares of Common Stock (other than the Underwritten Shares) or any securities convertible into or exchangeable or exercisable for such common stock, without the prior written consent of Lehman Brothers International (Europe).

21

(b) To deliver to the Representatives prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-9.

7. Conditions of International Managers' Obligations. The respective obligations of the several International Managers hereunder are subject to the accuracy, when made and as of each Closing Date, of the representations and warranties of the Company and the Selling Stockholders contained herein, to the performance by the Company and the Selling Stockholder of their respective obligations hereunder and to each of the following additional terms and conditions:

(a) The Registration Statement and any post-effective amendment thereto has become effective under the Act; if the Registration Statement has not become effective prior to the Execution Time, unless the International Managers agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 P.M. New York City time on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 P.M. New York City time on such date or (ii) 2:00 P.M. on the business day following the day on which the public offering price was determined, if such determination occurred after 3:00 P.M. New York City time on such date; if required under Rule 424(b), the Prospectuses shall have been timely filed with the Commission in accordance with Section 5(a) hereof, not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430(A)(a)(3); no Stop Order shall have been issued and prior to that time no proceeding for that purpose shall have been initiated or threatened by the Commission; any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectuses or otherwise shall have been complied with; and the Company shall not have filed with the Commission any amendment or supplement to the Registration Statement or the Prospectuses without the consent of the Underwriters. If the Company has elected to rely upon Rule 430A of the Act, the price of the Shares and any price-related information previously omitted from the effective Registration Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the Act within the prescribed time period, and prior to the applicable Closing Date the Company shall have provided evidence satisfactory to the International Managers of such timely filing, or a post-effective amendment providing such information shall

22

have been prepared, filed and declared effective in accordance with the requirements of Rule 430A of the Act.

(b) No U.S. Underwriter or International Manager shall have discovered after the date hereof and disclosed to the Company on or prior to such applicable Closing Date that the Registration Statement or the Prospectuses or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Cravath, Swaine & Moore, counsel for the International Managers, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Underwritten Shares, the Registration Statement and the Prospectuses, and all other legal matters relating to this Agreement and the transactions contemplated hereby, shall be reasonably satisfactory in all respects to Cravath, Swaine & Moore, counsel for the International Managers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) On each Closing Date, Winston & Strawn, as special counsel to the Company, shall have furnished to the International Managers their written opinion addressed to the Underwriters and dated such Closing Date in form and substance satisfactory to the International Managers (with customary qualifications and assumptions agreed to by counsel for the International Managers) to the effect that:

(i) the Company and each of its Significant Subsidiaries have been duly incorporated and are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses, requires such qualification; and have all corporate power and authority necessary to own or hold their respective properties and to conduct the business in which they are engaged as described in the Prospectus;

(ii) this Agreement and the U.S. Underwriting Agreement have been duly authorized, executed, and delivered by the Company, are legally valid and binding obligations of the Company, and are enforceable against

23

the Company in accordance with their terms, except to the extent that rights to indemnity or contribution hereunder and thereunder may be limited by Federal or state securities laws or the public policy underlying such laws may limit the right to indemnity and contribution thereunder; no consent, authorization, approval, order, license, certificate, or permit of or from, or declaration or filing with, any Federal, state, local or other governmental authority or any court or other tribunal is required by the Company for the execution, delivery, or performance of this Agreement or the U.S. Underwriting Agreement by the Company (except filings under the Act and the NYSE which have been made and consents, authorizations, permits, orders and other matters required by the National Association of Securities Dealers or under Blue Sky or state securities laws as to which such counsel need express no opinion);

(iii) the Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with the provisions of this Agreement and the U.S. Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(iv) the Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Prospectuses were filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the date specified therein, no Stop Order has been issued and, to the knowledge of such counsel, no proceeding for that purpose is pending or threatened by the Commission;

(v) the Registration Statement and the Prospectuses and any further amendments or supplements thereto made by the Company prior to each Closing Date (other than the financial statements and related schedules therein and other financial and statistical information included in or excluded from the Registration Statement or the Prospectuses, as to which such counsel need express no opinion) comply as to form in all material

24

respects with the requirements of the Act and the Rules and Regulations and the documents incorporated by reference therein (other than any financial statement's related schedules and other financial and statistical information included in or excluded from the Registration Statement or the Prospectuses), at the time they were filed with the Commission, complied as to form in all material respects with the Exchange Act and the applicable Rules and Regulations (except as aforesaid).

Notwithstanding the foregoing, each of such opinions may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and to court decisions with respect thereto and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and no opinion need be expressed as to the availability of equitable remedies for any breach of any such agreement.

In rendering such opinion, such counsel may (i) state that their opinion is limited to matters governed by the Federal laws of the United States of America (to the extent specifically referred to therein), the laws of the State of New York and General Corporation Law of the State of Delaware; and (ii) rely (to the extent such counsel deems proper and specifies in their opinion), as to matters involving the application of the laws of jurisdictions other than the State of New York or the United States or the General Corporation Law of the State of Delaware upon opinions (dated the applicable Closing Date, addressed to the International Managers and in form reasonably satisfactory to the International Managers with signed or conformed copies for each of the International Managers) of counsel acceptable to Cravath, Swaine & Moore. Such counsel shall also have furnished to the International Managers a written statement, addressed to the International Managers and dated the applicable Closing Date, in form and substance reasonably satisfactory to the International Managers, to the effect that such counsel participated in conferences with officers and representatives of the Company, Arthur Andersen LLP, the International Managers and Cravath, Swaine & Moore in connection with the preparation of the Registration Statement, and based on the foregoing and without assuming responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or making any independent check or verification thereof (relying as to factual matters upon the

25

statements of officers and other representatives of the Company, the Selling Stockholders and others), no facts have come to the attention of such counsel which lead them to believe that (I) the Registration Statement, as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading (other than the information omitted therefrom in reliance on Rule 430A), or (II) each of the Prospectuses as amended or supplemented, as of each Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need not express an opinion or belief as to any financial statements, schedules and other financial or statistical information included in or excluded from the Registration Statement or the Prospectuses.

(e) On each Closing Date, Joseph F. McCarthy, General Counsel to the Company, or Michael O'Shea, corporate counsel to the Company, shall have furnished to the International Managers his written opinion addressed to the International Managers and dated such Closing Date in form and substance satisfactory to the International Managers (with customary qualifications and assumptions agreed to by counsel for the International Managers) to the effect that:

(i) the Company and each of its Significant Subsidiaries have been duly incorporated and are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses, requires such qualification; and have all corporate power and authority necessary to own or hold their respective properties and to conduct the business in which they are engaged as described in the Prospectuses;

(ii) the Company has an authorized capitalization as set forth in the Prospectuses, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectuses; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and

26

issued and are fully paid, nonassessable and (except for directors' qualifying shares) owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as described in the Prospectuses; to the best of such counsel's knowledge after due inquiry and investigation, there is no commitment, plan, or arrangement to issue, and no outstanding option, warrant, or other right calling for the issuance of, any share of capital stock of the Company or of the Company's subsidiaries to any person other than the Company, or any security or other instrument which by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or of the Company's subsidiaries, except as may be described in the Prospectuses or has been disclosed to the International Managers;

(iii) the Underwritten Shares being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued and delivered in accordance with this Agreement and the U.S. Underwriting Agreement, as described in the Registration Statement, will be duly and validly issued, fully paid and nonassessable; the Underwritten Shares conform to the description of the Common Stock in the Prospectuses; and the Underwritten Shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(iv) there is no litigation, arbitration, claim, governmental or other proceeding or investigation pending or, to the best of such counsel's knowledge after due inquiry and investigation, threatened to which the Company or any of its subsidiaries is a party or to which any of their respective operations, businesses or assets is the subject which could reasonably be expected to have a material adverse effect upon the consolidated financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole; neither the Company nor any of its subsidiaries is in violation of, or in default with respect to, any law, rule, regulation, order, judgment, or decree, except as may be described in the Prospectuses or such as in the aggregate do not have a significant likelihood of having a material adverse effect upon the consolidated financial position, stockholders' equity, results of operations, business or prospects of the Company and its subsidiaries taken as a whole;

27

(v) neither the Company nor any of its subsidiaries is now in violation or breach of, or in default with respect to, any material provision of any contract, agreement, instrument, lease or license, which is material to the Company and its subsidiaries taken as a whole;

(vi) neither the Company nor any of its subsidiaries is in violation or breach of, or in default with respect to, any term of its Certificate of Incorporation or By-laws;

(vii) the execution, delivery and performance of this Agreement and the U.S. Underwriting Agreement and the issue and sale of the Shares will not conflict with or result in a breach or violation in any material respect of any of the terms and provisions of, or constitute a default under, any material contract, agreement, instrument, lease, or license known to such counsel, or violate or result in a breach of any term of the articles of incorporation (or other charter document) or by-laws of the Company or any of its subsidiaries, or violate, result in a breach of, or conflict in any material respect with any law or statute, rule, or regulation, or any order, judgment, or decree known to such counsel, that is binding on the Company or any of its subsidiaries or to which any of their respective operations, businesses or assets are subject; no consent, authorization, approval, order, license, certificate or permit of or from, or declaration or filing with any Federal, state, local or other governmental authority or any court or other tribunal is required by the Company for the execution, delivery or performance of this Agreement and the U.S. Underwriting Agreement or for the issuance and sale of the Shares by the Company (except filings under the Act which have been made and consents, authorization, permits, orders and other matters required under Blue Sky or State securities laws or as may be required by the laws of any country other than the United States as to which such counsel need express no opinion);

(viii) any contract, agreement, instrument, lease or license required to be described in the Registration Statement or the Prospectuses has been properly described therein; any contract, agreement, instrument, lease, or license required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to the Registration Statement;

28

(ix) insofar as statements in the Prospectuses purport to summarize the status of litigation or the provisions of laws, rules, regulations, orders, judgments, decrees, contracts, agreements, instruments, leases, or licenses, such statements have been prepared or reviewed by such counsel and accurately reflect, in all material respects, the status of such litigation and provisions purported to be summarized and are correct in all material respects; and

(x) there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any Underwritten Shares pursuant to the Company's Certificate of Incorporation or By-laws, in each case as amended, or any agreement or other instrument; and no holders of securities of the Company have rights to the registration thereof under the Registration Statement except as set forth in the Prospectuses or, if any such holders have such rights, such holders have waived such rights;

Notwithstanding the foregoing, each of such opinions may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally and to court decisions with respect thereto and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and no opinion need be expressed as to the availability of equitable remedies for any breach of any such agreement.

In rendering such opinion, such counsel may (i) state that his opinion is limited to matters governed by the Federal laws of the United States of America to the extent specifically referred to therein, the laws of the State of Michigan and General Corporation Law of the State of Delaware; and (ii) rely (to the extent such counsel deems proper and specifies in his opinion), as to foreign matters involving the application of the laws of jurisdictions other than the State of Michigan or the United States or the corporate law of the State of Delaware upon opinions (dated each Closing Date, addressed to the International Managers and in form reasonably satisfactory to the International Managers with signed or conformed copies for each of the International Managers) of counsel acceptable to Cravath, Swaine & Moore.

(f) On the First Closing Date, there shall have been furnished to you the opinion of counsel for each of the

29

Selling Stockholders (addressed to the Underwriters), dated the Closing Date in form and substance satisfactory to the Underwriters to the effect that:

(i) each Selling Stockholder has full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

(ii) this Agreement has been duly authorized, executed and delivered by or on behalf of each Selling Stockholder; and

(iii) the execution, delivery and performance of this Agreement by each Selling Stockholder and the consummation by each Selling Stockholder of the transactions contemplated hereby will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which each Selling Stockholder is a party or by which each Selling Stockholder is bound or to which any of the property or assets of each selling Stockholder is subject, nor will such actions result in any violation in any material respect of the provisions of the partnership agreement of each Selling Stockholder or any statute or any order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over each Selling Stockholder or the property or assets of each Selling Stockholder; and no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency is required for the execution, delivery and performance of this Agreement by each Selling Stockholder and the consummation by each Selling Stockholder of the transactions contemplated hereby, except the registration under the Act of the Shares, such consents approvals, authorizations, registrations, filings or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the shares by the Underwriters or as may be required by the laws of any country other than the United States, and amendments to filings made under the Exchange Act.

(g) The Company shall have furnished to the International Managers on each Closing Date a certificate, dated such Closing Date, of its President or a Vice President and its Chief Financial Officer stating that:

30

(i) they have carefully examined the Registration Statement and the Prospectuses and, in their opinion, in each case to the extent information provided in the Registration Statement or Prospectus relates to (A) as of the Effective Time of the Registration Statement, the Registration Statement did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) as of its date, each of the Prospectuses, as amended or supplemented, did not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (C) since the Effective Date of the Registration Statement or the date of each Prospectus, as the case may be, no event has occurred which should have been set forth in a supplement to or amendment of each Prospectus which has not been set forth in such a supplement or amendment.

(h) At the Effective Time and on each Closing Date, the Company shall have furnished to the International Managers a letter of Arthur Andersen LLP addressed to the International Managers and dated such Closing Date and in form and substance satisfactory to the International Managers confirming that they are independent public accountants within the meaning of the Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, and stating, as of the date of such letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the International Prospectus, as of a date not more than five days prior to the date of such letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by its letter delivered to the International Managers concurrently with the execution of this Agreement and confirming in all material respects the conclusions and findings set forth in such prior letter.

(i) The NASD upon review of the terms of the public offering of the Underwritten Shares, shall not have objected to the participation by any of the International Managers in such offering or asserted any violation of the By-Laws of the NASD.

31

(j) Neither the Company nor any of its Significant Subsidiaries (1) shall have sustained since the date of the latest audited financial statements included in the International Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the International Prospectus or (2) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or result of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the International Prospectus the effect of which, in any such case described in clause (1) or (2) of this subparagraph, is, in the judgment of the International Managers, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the International Prospectus.

(k) The Shares to be purchased on such Closing Date by the International Managers shall be approved for listing on the New York Stock Exchange, subject only to official notice of issuance and evidence of satisfactory distribution.

(l) Each Selling Stockholder (or one or more attorneys-in-fact on behalf of such Selling Stockholder) shall have furnished to the Lead Managers on each Closing Date a certificate, dated such Closing Date, signed by, or on behalf of, such Selling Stockholder (or one or more attorneys-in-fact) stating that the representations, warranties and agreements of such Selling Stockholder contained herein are true and correct as of such Closing Date and that such Selling Stockholder has complied with all agreements contained herein to be performed by such Selling Stockholder at or prior to such Closing Date.

All such opinions, certificates, letters and documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are reasonably satisfactory to you and Cravath, Swaine & Moore, counsel for the International Managers, and the Company shall furnish to you conformed copies thereof in such quantities as you reasonably request.

32

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each International Manager and Selling Shareholder against any loss, claim, damage or liability (or any action in respect thereof), including without limitation, any legal or other expenses reasonably incurred by any International Manager or Selling Stockholder in connection with defending or investigating any such action or claim, joint or several, to which such International Manager or Selling Shareholder may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any of or all the Shares under the securities laws thereof (any such application, document or information being hereinafter referred to as a "Blue Sky Application"), or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; and shall reimburse each International Manager and Selling Shareholder promptly after receipt of invoices from such International Manager or Selling Shareholder for any legal or other expenses as reasonably incurred by such International Manager or Selling Shareholder in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action, notwithstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that the Company shall not be liable (x) under this paragraph 8(a) in any such case to the extent, but only to the extent, that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any International Manager or Selling Shareholder specifically for use in the preparation of the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or

33

any Prospectus as amended or supplemented, or any Blue Sky application.

(b) Each Selling Stockholder severally, but not jointly, shall indemnify and hold harmless the Company and each International Manager against any loss, claim, damage or liability (or any action in respect thereof) to which the Company or such International Manager may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented or in any Blue Sky Application, or (ii) the admission or alleged admission to state in the Registration Statement any Preliminary Prospectus any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading and shall reimburse the Company or such International Manager promptly after receipt of invoices from the Company or such International Manager for any legal or other expenses as reasonably incurred by the Company or such International Manager in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action not withstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that such indemnification or reimbursement shall be available in each such case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Selling Stockholder furnished to the Company or such International Manager by or on behalf of such Selling Stockholder specifically for use in the preparation thereof; provided, further, that such indemnification or reimbursement shall in no case exceed the net proceeds to such Selling Stockholder from the sale of the Underwritten Shares.

(c) Each International Manager severally, but not jointly, shall indemnify and hold harmless the Company and each Selling Stockholder against any loss, claim, damage or liability (or any action in respect thereof) to which the Company or any Selling Stockholder may become subject, under the Act or otherwise, insofar as such loss, claim, damage or

34

liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application, or (ii) the omission or alleged omission to state in the Registration Statement, any Preliminary Prospectus, any Prospectus or the Registration Statement or any Prospectus as amended or supplemented, or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading and shall reimburse the Company or such Selling Stockholder promptly after receipt of invoices from the Company or such Selling Stockholder for any legal or other expenses as reasonably incurred by the Company or such Selling Stockholder in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action notwithstanding the possibility that payments for such expenses might later be held to be improper, in which case such payments shall be promptly refunded; provided, however, that such indemnification or reimbursement shall be available in each such case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or such Selling Stockholder through you by or on behalf of such International Manager specifically for use in the preparation thereof.

(d) Promptly after receipt by any indemnified party under subsection (a) (b) or (c) above of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure so to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been prejudiced in any material respect by such failure or from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against any indemnified party and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After

35

notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under such subsection for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; except that the Representatives shall have the right to employ counsel to represent you and those other International Managers who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the International Managers against the Company under such subsection if, in your reasonable judgment, it is advisable for you and those International Managers to be represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the Company.

(e) If the indemnification provided for in this Section 8 is unavailable to hold harmless an indemnified party under subsection (a), (b) or (c) above, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, the Selling Stockholders and the International Managers from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, the Selling Stockholders and the International Managers in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, or actions in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Selling Stockholders and the International Managers shall be deemed to be in the same proportion as the total net proceeds from the offering of the Shares (before deducting expenses) received by the Company and/or the Selling Stockholders bear to the total underwriting discounts and commissions received by the International Managers, in each case as set forth in the table on the cover page of the International Prospectus (with the estimated expenses allocated pro rata among the Shares and the U.S. Shares). Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to

36

information supplied by the Company, the Selling Stockholders or the International Managers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Selling Stockholders and the International Managers agree that it would not be just and equitable if contributions pursuant to this subsection (e) were to be determined by pro rata allocation (even if the International Managers were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to in the first sentence of this subsection (e). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against any action or claim which is the subject of this subsection (e). Notwithstanding the provisions of this subsection (e), (i) no International Manager shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such International Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) notwithstanding the provisions of this subsection (e), no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the amount of proceeds received by such Selling Stockholder from the sale by such Selling Stockholder of its portion of the Shares pursuant to this Agreement exceed the amount of any damages such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The International Managers' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint. Each party entitled to contribution agrees that upon the service of a summons or other initial legal process upon it in any action instituted against it in respect of which contribution may be sought, it shall promptly give written notice of such service to the party or parties from whom contribution may be sought, but the omission so to notify such party or parties of any such service shall not relieve the party from whom contribution may be sought for

37

any obligation it may have hereunder or otherwise (except as specifically provided in subsection (d) hereof).

(f) The obligations of the Company and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have, and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company, any Selling Stockholder or any International Manager within the meaning of the Act; and the obligations of the International Managers under this Section 8 shall be in addition to any liability that the respective International Managers may otherwise have, and shall extend, upon the same terms and conditions, to each director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) or any Selling Stockholder, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

9. Substitution of International Managers. If, on either Closing Date, any International Manager defaults in the performance of its obligations under this Agreement, the non-defaulting International Managers may, but shall not be required to, find one or more substitute underwriters to purchase such Shares or may, but shall not be required to, make such other arrangements satisfactory to the Company as such non-defaulting International Managers deem advisable, or the non-defaulting International Managers may, but shall not be required to, agree to purchase such Shares in each case upon the terms set forth in this Agreement. If the non-defaulting International Managers or other underwriters satisfactory to the non-defaulting International Managers do not elect to purchase the Shares which the defaulting International Manager agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting International Manager or the Company, except that the Company shall continue to be liable for the payment of expenses to the extent set forth in Section 5(f) and Section 10.

Nothing contained herein shall relieve a defaulting International Manager of any liability it may have to the Company for damages caused by its default. If other underwriters agree to purchase the Shares of the defaulting International Manager, either the International Managers or the Company may postpone the First Closing Date for up to seven full business days in order to effect any

38

changes that in the opinion of counsel for the Company or counsel for the International Managers may be necessary in the Registration Statement, the International Prospectus or in any other document or arrangement.

10. Effective Date and Termination. (a) This Agreement shall become effective at 11:00 A.M., New York City time, on the first full Business Day following the date hereof, or at such earlier time after the Registration Statement becomes effective as you shall first release the Firm Shares for sale to the public. You shall notify the Company immediately after you have taken any action which causes this Agreement to become effective. Until this Agreement is effective, it may be terminated by the Company by giving notice as hereinafter provided to you, or by you by giving notice as hereinafter provided to the Company, except that the provisions of Section 5(i) and Section 8 shall at all times be effective. For purposes of this Agreement, the release of the public offering of the Firm Shares for sale to the public shall be deemed to have been made when you release, by telecopy or otherwise, firm offers of the Firm Shares to securities dealers or release for publication a newspaper advertisement relating to the Firm Shares, whichever occurs first.

(b) From the date of this Agreement until the First Closing Date, this Agreement may be terminated by you in your absolute discretion by giving notice as hereinafter provided to the Company, if (i) the Company shall have failed, refused or been unable, at or prior to such Closing Date, to perform any agreement on its part to be performed hereunder; (ii) any other condition to the obligations of the International Managers hereunder is not fulfilled; (iii) there occurs any change, or any development involving a prospective change, in or affecting the financial condition of the Company or its subsidiaries, which in your judgment, materially impairs the investment quality of the Shares; (iv) there is any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act or Rule 15c3-1 under the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (v) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, or minimum prices shall have been established on such exchange by the Commission, or by such exchange or other regulatory

39

body or governmental authority having jurisdiction; (vi) any banking moratorium shall have been declared by Federal or New York governmental authorities; (vii) there is an outbreak or escalation of hostilities involving the United States on or after the date hereof, or the United States is or becomes engaged in hostilities which result in the declaration of a national emergency or war, the effect of which, in your judgment, makes it inadvisable or impractical to proceed with the completion of the sale of or any payment for the Shares on the terms and in the manner contemplated in the Prospectuses; or (viii) there shall have been such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such), in your judgment, as to make it inadvisable or impractical to proceed with the delivery of the Shares. Any termination of this Agreement pursuant to this Section 11 shall be without liability on the part of the Company or any International Manager, except as otherwise provided in Section 5(f), Section 8 and Section 10 of this Agreement.

Any notice referred to above may be given at the address specified in Section 12 hereof in writing or by telecopier, telex or telephone, and if by telecopier, telex or telephone, shall be immediately confirmed in writing.

If notice shall have been given pursuant to this Section 10 preventing this Agreement from becoming effective, or if the Company shall fail to tender the Shares for delivery to the International Managers for any reason permitted under this Agreement, or if the International Managers shall decline to purchase the Shares for any reason permitted under this Agreement, the Company shall reimburse the International Managers for the reasonable fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by them in connection with this Agreement and the proposed purchase of the Shares, and upon demand the Company shall pay the full amount thereof to the International Managers.

11. Survival of Certain Provisions. The agreements contained in Section 8 hereof and the representations, warranties and agreements of the Company contained in Sections 1 and 5 hereof and the Selling Stockholder contained in Sections 2 and 6 hereof shall survive the delivery of the Shares to the International Managers hereunder and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

40

12. Notices. Except as otherwise provided in the Agreement, (a) whenever notice is required by the provisions of this Agreement to be given to the Company, such notice shall be in writing or by telecopy addressed to the Company at the address of the Company set forth in the Registration Statement, Attention: James H. Vandenberghe; (b) whenever notice is required by the provisions of this Agreement to be given to FIMA, such notice shall be in writing or by telecopy addressed to FIMA at Wickam's Cay, Road Town, Tortola, British Virgin Islands, with a copy to IFINT-USA Inc., 375 Park Avenue, Suite 2107, New York, NY 10152, Attention: Stephen V. O'Connell; (c) whenever notice is required by the provisions of this Agreement to be given to the Lehman Funds, such notice shall be in writing or by telecopy addressed to [ ]; and

13. Information Furnished by U.S. Underwriters. The International Managers severally confirm that the statements set forth in the last paragraph of the cover page with respect to the public offering of the Shares and under the caption "Underwriting" in any Preliminary Prospectus and in the Prospectuses are correct and constitute the written information furnished by or on behalf of any International Manager referred to in paragraph (b) of Section 1 hereof and in paragraphs (a) and (c) of Section 8 hereof.

14. Information Furnished by Selling Stockholders. The Selling Stockholders severally confirm that the statements set forth in the last paragraph of the cover page with respect to the public offering of the Shares and under the caption "Selling Stockholders" in any Preliminary Prospectus and in the Prospectuses are correct and constitute the only written information furnished by or on behalf of such Selling Stockholder pursuant to Section 8(b) hereof.

15. Parties. This Agreement shall inure to the benefit of and binding upon the several International Managers, the Company, the Selling Stockholders and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company and the Selling Stockholder contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any International Manager within the meaning of Section 15 of the Act and for the benefit of any U.S. Underwriter (and controlling persons thereof) who offers or sells any Shares in accordance with the terms of the Agreement Between U.S. Underwriters and International

41

Managers and (b) the indemnity agreement of the International Managers contained in Section 8 hereof shall be deemed to be for the benefit of directors of the Company, officers of the Company who signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Act. Nothing in this Agreement shall be construed to give any person, other than the persons referred to in this paragraph, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. Compliance with Schedule E of NASD By-laws. Each International Manager agrees, severally and not jointly, that in accordance with Section 12 of Schedule E of the By-laws of the NASD, a transaction in Shares issued by the Company shall not be executed by such International Manager in a discretionary account without the prior specific written approval of the customer.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without respect to choice of law principles thereof.

18. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

If the foregoing correctly sets forth the agreement among the Company, the Selling Stockholders and the International Managers, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

LEAR SEATING CORPORATION,

By:

_____

Name: James H. Vandenberghe
Title: Executive Vice
President and Chief
Financial officer

42

FIMA FINANCE MANAGEMENT INC., as
Selling Stockholder,

By:
_____
Name:
Title:

LEHMAN BROTHERS MERCHANT BANKING
PORTFOLIO PARTNERSHIP L.P., as
Selling Stockholder

By: LBI Group, Inc.

By:
_____
Name:
Title:

LEHMAN BROTHERS CAPITAL
PARTNERS II, L.P., as Selling
Stockholder

By: Lehman Brothers Holdings, Inc.

By:
_____
Name:
Title:

LEHMAN BROTHERS OFFSHORE INVESTMENT
PARTNERSHIP L.P., as Selling
Stockholder

By: Lehman Brothers Offshore
Partners Ltd.

By:
_____
Name:
Title:

43

Lehman Brothers Offshore Investment
Partnership - Japan L.P., as
Selling Stockholder

By: Lehman Brothers Offshore
Partners Ltd.

By: _____
Name:
Title:

44

Accepted:

LEHMAN BROTHERS INTERNATIONAL (EUROPE)
MORGAN STANLEY & CO. INTERNATIONAL LIMITED
PAINEWEBBER INTERNATIONAL (U.K.) LIMITED
J. HENRY SCHRODER & CO. LTD.
For themselves and as Lead Managers
for each of the several International Managers
named in Schedule I hereto

By: LEHMAN BROTHERS INTERNATIONAL (EUROPE)

By:_____
Name:
Title:

45

SCHEDULE I

International Underwriting Agreement dated September , 1995

International Managers	Number of Firm Shares to be Purchased
Lehman Brothers International (Europe)	
Morgan Stanley & Co. International Limited	
PaineWebber International (U.K.) Limited	
J. Henry Schroder & Co. Ltd.	
Total	2,000,000

46

SCHEDULE II

International Underwriting Agreement dated September , 1995

Selling Stockholder	Number of Firm Shares to be Sold
Lehman Brother Merchant Banking Portfolio Partnership L.P.	
Lehman Brothers Capital Partners II, L.P.	
Lehman Brothers Offshore Investment Partnership L.P	
Lehman Brothers Offshore Investment Partnership - Japan L.P.	
FIMA Finance Management Inc.	
	1,000,000

EXHIBIT 5.1

[WINSTON & STRAWN LETTERHEAD]

September 1, 1995

Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48034

Re: Registration Statement on Form S-3
of Lear Seating Corporation (No. 33-61583)
(the "Registration Statement")

Gentlemen:

We have acted as special counsel to Lear Seating Corporation, a Delaware corporation (the "Company"), in connection with the registration on Form S-3 of the offer and sale (the "Offering") of up to 17,250,000 shares of Common Stock of the Company, par value of $.01 per share (the "Common Stock"). Of the 17,250,000 shares being offered in the Offering, (i) 10,000,000 shares are being offered by the Company and (ii) 7,250,000 (assuming the exercise of the Underwriters' over-allotment option) are being offered by selling stockholders (the "Selling Stockholders").

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Act").

In connection with this opinion, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement relating to the Common Stock, as filed with the Securities and Exchange Commission (the "Commission") on August 4, 1995 under the Act, as amended by Amendment No. 1 thereto filed with the Commission on September 1, 1995 (as so amended, the "Registration Statement"); (ii) the United States preliminary prospectus dated September 1, 1995; (iii) the International preliminary prospectus dated September 1, 1995; (iv) the Restated Certificate of Incorporation of the Company, (the "Charter"); (v) the Amended and Restated By-laws of the Company, (the "By-Laws"); (vi) the form of the United States Underwriting Agreement to be entered into by the Company, the Selling Stockholders, Lehman Brothers, Painewebber Incorporated, Morgan Stanley & Co. Incorporated and Schroder Wertheim & Co. Incorporated (the "U.S. Underwriting

Agreement"); (vii) the form of the International Underwriting Agreement to be entered into by the Company, the Selling Stockholders, Lehman Brothers International (Europe), Painewebber International (U.K.) Ltd., Morgan Stanley & Co. International Limited and J. Henry Schroder & Co. Limited (the "International Underwriting Agreement," and together with the U.S. Underwriting Agreement, the "Underwriting Agreements") and (viii) resolutions of the Board of Directors of the Company relating to, among other things, the issuance and sale of the Common Stock and the filing of the Registration Statement. We have also examined such other documents as we have deemed necessary or appropriate as a basis for the opinion set forth below.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such latter documents. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

Based upon and subject to the foregoing, was are of the opinion that:

(a) the 10,000,000 shares of Common Stock covered by the Registration Statement, when sold by the Company in accordance with the provisions of the Underwriting Agreements following approval thereof by the Pricing Committee of the Board of Directors of the Company, shall be legally issued, fully paid and non-assessable.

(b) The 7,250,000 shares of Common Stock covered by the Registration Statement are and, when sold the Selling Stockholders in accordance with the provisions of the Underwriting Agreements, will be legally issued, fully paid and non-assessable.

We hereby consent to the reference to our firm under the heading "Legal Matters" in the prospectuses included in the Registration Statement and to the filing of this opinion with the Commission as an exhibit to the Registration Statement. In giving such consent, we do not concede that we are experts

[WINSTON & STRAWN LETTERHEAD]

within the meaning of the Act or the rules and regulations thereunder or that this consent is required by Section 7 of the Act.

Very truly yours,

/s/ Winston & Strawn

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated February 15, 1995 included in Lear Seating Corporation's Form 10-K for the year ended December 31, 1994, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Detroit, Michigan

August 24, 1995

EXHIBIT 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated January 26, 1995 included in Lear Seating Corporation's Form 8-K filed on August 28, 1995, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Minneapolis, Minnesota

August 24, 1995

EXHIBIT 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated November 30, 1994 included in Lear Seating Corporation's Form 8-K/A filed on February 28, 1995, and to all references to our firm included in this registration statement.

/s/ Arthur Andersen & Co., s.a.s.

ARTHUR ANDERSEN & CO., s.a.s.

Turin, Italy

August 24, 1995

EXHIBIT 23.4

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement on Form S-3 of LEAR SEATING Corporation of our report dated August 23, 1995 with respect to the balance sheet of Plastifol GmbH & Co. KG as of 31 December 1994 and the related profit and loss account and cash flow statement for the year then ended which report appears in the Form 8-K of LEAR SEATING Corporation filed on August 28, 1995.

/s/ KPMG Deutsche Treuhand-Gesellschaft

KPMG DEUTSCHE TREUHAND-GESELLSCHAFT

Aktiengesellschaft

Wirtschaftsprufungsgesellschaft

Munich, Germany

August 23, 1995

EXHIBIT 99.4

WAIVER dated as of August 15, 1995 (this "Waiver") to the Amended and Restated Stockholders and Registration Rights Agreement dated as of September 27, 1991, as amended as of March 31, 1994 (the "Agreement"), among Lear Seating Corporation (as successor to Lear Holdings Corporation), a Delaware corporation (the "Company"), Lehman Brothers Merchant Banking Portfolio Partnership L.P. (formerly Shearson Lehman Hutton Merchant Banking Portfolio Partnership L.P.), a Delaware limited partnership, Lehman Brothers Offshore Investment Partnership--Japan L.P. (formerly Shearson Lehman Hutton Offshore Investment Partnership--Japan L.P.), a Bermuda limited partnership, Lehman Brothers Offshore Investment Partnership L.P. (formerly Shearson Lehman Hutton Offshore Investment Partnership L.P.), a Bermuda limited partnership, and Lehman Brothers Capital Partners II, L.P. (formerly Shearson Lehman Hutton Capital Partners II, L.P.), a Delaware limited partnership (each a "Lehman Partnership" and, collectively, the "Lehman Group"), LB I Group Inc. (formerly Shearson Lehman Hutton Merchant Banking Partners, Inc.), a Delaware corporation, as the Lehman Group Representative (the "Lehman Group Representative"), FIMA Finance Management Inc., a British Virgin Islands corporation ("FIMA"), and the parties listed in Schedule A to the Agreement or who became Management Investors pursuant to Section 6.10 thereof (the "Management Investors" and, together with the Lehman Group and FIMA, the "Investors").

The parties hereto agree as follows:

SECTION 1. Waiver. The Holders hereby waive their rights under Section 4.2 of the Agreement, including, without limitation, their rights to participate in the public offering of Shares by the Company, FIMA and the Lehman Group (the "Offering") pursuant to a registration statement filed with the Securities and Exchange Commission on August 4, 1995 (the "Registration Statement"), and their rights under the notice provisions thereof with respect to the Offering.

SECTION 2. Notice. The Company expects the Registration Statement relating to the Offering to become effective on or about September 20, 1995. The preceding sentence shall satisfy in full the notice requirements of Section 4.3(a) of the Agreement with respect of the Offering.

SECTION 3. Effectiveness; Miscellaneous. (a) This Amendment shall become effective as of the date first set forth above.

(b) This Waiver constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

(c) Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Waiver.

(d) The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Amendment, regardless of the law that might be applied under applicable principles of conflicts of laws.

(e) Each reference to a party hereto shall be deemed to include its successors and assigns, all of whom shall be bound by this Waiver and to whose benefit the provisions of this Waiver shall insure.

(e) This Waiver may be executed in any number of counterparts, each of which shall be an original but all of which, when taken together, shall constitute but one instrument.

(f) Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

(g) Except as specifically modified hereby, the Agreement shall continue in full force and effect in accordance with the provisions thereof. As used therein, the terms "Agreement", "herein", "hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Agreement as modified hereby.

IN WITNESS WHEREOF, the undersigned have executed this Waiver as of the date first set forth above.

LEAR SEATING CORPORATION

By _____
Name: J.H. Vandenberge
Title: Executive Vice President

As Holders of a majority of the Shares
held by the Lehman Partnerships and their
respective Permitted Transferees:

Lehman Brothers Merchant Banking Portfolio
Partnership L.P.

By _____
Name:
Title:

Lehman Brothers Capital
Partners II, L.P.

By _____
Name:
Title:

Lehman Brothers Offshore
Investment Partnership LP.

By _____
Name:
Title:

Lehman Brothers Offshore
Investment Partnership-Japan LP.

By _____
Name:
Title:

As Holders of a majority of the Shares
held by FIMA and its Permitted Transferees:

FIMA Finance Management, Inc.

By _____
Name:
Title:

As Holders of a majority of the Shares held by Management Investors and their respective Permitted Transferees:

_____
Name: John Boerger
Shares of Common Stock:_____

_____
Name: P. Burke
Shares of Common Stock:_____

_____
Name: Jimmie Comer
Shares of Common Stock:_____

_____
Name: G.H. Dunze
Shares of Common Stock:_____

_____
Name: M.R. Edwards
Shares of Common Stock:_____

_____
Name: C.E. Fisher
Shares of Common Stock:_____

_____
Name: A.J. Goscinski
Shares of Common Stock:_____

_____
Name: J.A. Hollars
Shares of Common Stock:_____

_____
Name: L.R. Haskell
Shares of Common Stock:_____

_____
Name: L.K. Hensley
Shares of Common Stock:_____

_____
Name: T.B. Henstock
Shares of Common Stock:_____

_____
Name: R.G. Hodgson
Shares of Common Stock:_____

_____
Name: R.B. Hopkins, Jr.
Shares of Common Stock:_____

_____
Name: G.G. Harris
Shares of Common Stock:_____

_____
Name: W.G. Jamieson
Shares of Common Stock:_____

_____
Name: E.F. Kozlowski
Shares of Common Stock:_____

_____
Name: W.A. Ludwig
Shares of Common Stock:_____

_____
Name: T.E. Melson
Shares of Common Stock:_____

_____
Name: R.T. Murphy
Shares of Common Stock:_____

_____
Name: R.E. Rossiter
Shares of Common Stock:_____

_____
Name: R.B. Smith, Jr.
Shares of Common Stock:_____

_____
Name: D.J. Stebbins
Shares of Common Stock:_____

_____
Name: R.G. Tancredi
Shares of Common Stock:_____

_____
Name: J.E. Thompson
Shares of Common Stock:_____

_____
Name: M.P. Tepfenhart
Shares of Common Stock:_____

_____
Name: J.H. Vandenberghe
Shares of Common Stock:_____

_____
Name: A.H. Vartanian
Shares of Common Stock:_____

_____
Name: J. Wainwright
Shares of Common Stock:_____

_____
Name: K.L. Way
Shares of Common Stock:_____