
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) May 24, 2005

VISTEON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-15827

(Commission File Number)

38-3519512

(IRS Employer Identification No.)

One Village Center Drive, Van Buren Township, Michigan

(Address of principal executive offices)

48111

(Zip Code)

Registrant's telephone number, including area code (800)-VISTEON

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

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SECTION 1 — REGISTRANT’S BUSINESS AND OPERATIONS

Item 1.01. Entry into a Material Definitive Agreement.

On May 24, 2005, Visteon Corporation (the “Company”) and Ford Motor Company (“Ford”) entered into an Amendment, effective as of May 24, 2005 (the “Funding Agreement Amendment”), to the Funding Agreement, dated as of March 10, 2005, between the Company and Ford. The Funding Agreement Amendment modifies the payment terms for certain components supplied to Ford by the Company in the United States and received from and after June 1, 2005 to as follows: (i) an average of 18 days for the period from June 1, 2005 through July 31, 2005; (ii) an average of 22 days for the period from August 1, 2005 through December 31, 2005; and (iii) an average of 26 days for the period from January 1, 2006 until termination of the agreement.

On May 24, 2005, the Company and Ford also entered into an Amendment, effective as of May 1, 2005 (the “Bailment Agreement Amendment”), to the Master Equipment Bailment Agreement, dated as of March 10, 2005, between the Company and Ford. Pursuant to the Bailment Agreement Amendment, Ford has agreed to pay third party suppliers for certain machinery, equipment, tooling, fixtures and related assets that are used to produce certain components for Ford at four additional plants of Visteon located in North America.

The description of the above-referenced documents does not purport to be complete and is qualified in its entirety by reference to the complete text of the documents referred to above, copies of which are filed as Exhibits 10.1 and 10.2 hereto and incorporated herein by reference.

SECTION 7 — REGULATION FD

Item 7.01. Regulation FD Disclosure.

On May 25, 2005, the Company announced that on May 24, 2005 it had entered into a non-binding memorandum of understanding with Ford, which provides, among other things, for the transfer of certain North American assets of the Company to an entity that will be managed by Ford and the issuance to Ford of warrants to purchase the Company’s common stock. The press release, filed as Exhibit 99.1 to this Current Report on Form 8-K, is incorporated herein by reference.

On May 25, 2005, the Company is making available the presentation slides attached hereto as Exhibit 99.2 in a webcast of an analyst conference call related to the above-referenced memorandum of understanding. The presentation slides, attached hereto as Exhibit 99.2 to this Current Report on Form 8-K, are incorporated herein by reference.

The information contained in Exhibit 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SECTION 8 — OTHER EVENTS**Item 8.01. Other Events.**

On May 25, 2005, the Company announced that on May 24, 2005 it had entered into a non-binding memorandum of understanding with Ford, which provides, among other things, for the transfer of certain North American assets of the Company to an entity that will be managed by Ford and the issuance to Ford of warrants to purchase the Company's common stock. The press release, filed as Exhibit 99.1 to this Current Report on Form 8-K, is incorporated herein by reference.

SECTION 9 — FINANCIAL STATEMENTS AND EXHIBITS**Item 9.01. Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment, effective as of May 24, 2005, to the Funding Agreement, dated as of March 10, 2005, between the Company and Ford.
10.2	Amendment, effective as of May 1, 2005, to the Master Equipment Bailment Agreement, dated as of March 10, 2005, between the Company and Ford.
99.1	Press release dated May 25, 2005
99.2	Presentation slides from the Company's webcast of its analyst conference call to be held on May 25, 2005.

SIGNATURE

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

VISTEON CORPORATION

By: /s/ James F. Palmer

James F. Palmer

Executive Vice President

and Chief Financial Officer

Date: May 25, 2005

EXHIBIT INDEX

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99.1	Press Release dated May 25, 2005.	
99.2	Presentation slides from the Visteon Corporation webcast of its analyst conference call to be held on May 25, 2005.	

AMENDMENT TO FUNDING AGREEMENT

This Amendment to Funding Agreement is effective as of May 24, 2005 and amends that certain Funding Agreement dated as of March 10, 2005 (the "Agreement") between FORD MOTOR COMPANY ("Ford") and VISTEON CORPORATION ("Visteon").

The parties agree as follows:

1. Definitions: All capitalized terms used herein shall have the meanings specified in the Agreement unless otherwise specifically stated herein.

2. Payment Terms: Section 3(b) of the Agreement is modified to read as follows:

(b) Commencing with payables covered by Section 9.1(a) of the P&SA associated with Components and tooling received at Ford facilities in the United States and for tooling received at Visteon facilities in the United States, the following payment terms shall apply:

<u>Time Period</u>	<u>Payment Terms</u>
Before April 1, 2005	33*
April 1, 2005 through May 31, 2005	26*
June 1, 2005 through July 31, 2005	18*
August 1, 2005 through December 31, 2005	22*
January 1, 2006 until termination of the Funding Agreement	26*

* Number of days after applicable entry date

If this Agreement is terminated for any reason, then the payment terms for all payables associated with Components and tooling received at Ford facilities in the United States and for tooling received at Visteon facilities in the United States from and after the Termination Date shall revert to the payment terms specified in Section 9.1(a) of the P&SA.

3. No Other Changes. Except as specified herein, all other terms and conditions of the Funding Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Funding Agreement to be executed by their authorized representatives as of the date first above written.

FORD MOTOR COMPANY

By: /s/ Don R. Leclair

Title: Executive Vice President
and Chief Financial Officer

Date: May 24, 2005

VISTEON CORPORATION

By: /s/ James F. Palmer

Title: Executive Vice President
and Chief Financial Officer

Date: May 24, 2005

AMENDMENT TO MASTER EQUIPMENT BAILMENT AGREEMENT

This Amendment to Master Equipment Bailment Agreement is effective as of May 1, 2005 and amends that certain Master Equipment Bailment Agreement dated as of March 10, 2005 (the "Agreement") between FORD MOTOR COMPANY ("Ford") and VISTEON CORPORATION ("Visteon").

The parties wish to expand the number of Plants for which Ford will fund Capital Expenditures. To accomplish this, the parties agree as follows:

1. Definitions: All capitalized terms used herein shall have the meanings specified in the Agreement unless otherwise specifically stated herein. The following terms are added or modified:

"Additional Plants" means Visteon's Saline, Sandusky, Sheldon Road and Utica plants.

"Approved Capital Expenditure" means the following Capital Expenditures:

- a. Capital Expenditures for Equipment listed on Exhibit A, each of which represents a Capital Expenditure that was committed by Visteon before January 1, 2005 for the Plants where less than one-half of the full amount of the Project was fully paid as of January 1, 2005; and
- b. Capital Expenditures for Equipment listed on Exhibit A-1, each of which represents a Capital Expenditure that was committed by Visteon before May 1, 2005 for the Additional Plants where less than one-half of the full amount of the Project was fully paid as of May 1, 2005; and
- c. Capital Expenditures for Equipment where the Capital Expenditure has not yet been committed by Visteon and which is subsequently approved in writing by Ford's Executive Director, Global FM&SP Purchasing.

"Equipment" means the assets covered by this Agreement that are not currently owned by Visteon, which shall include only machinery, equipment, tooling, and fixtures that do not constitute real property, and associated software, accessories and other assets that meet the following criteria and otherwise meet the requirements for Ford to pay for and acquire as provided in this Agreement:

- a. They will be used primarily for the manufacture of Components, unless otherwise agreed in writing by Ford; and
- b. They will be installed in a Plant or an Additional Plant.

For the avoidance of doubt, the term "Equipment" does not include tooling purchased by Ford and provided to Visteon in the ordinary course of business.

2. Additional Plants Included.

- a. Section 2.1 of the Agreement is hereby modified such that the words "or Exhibit A-1" shall be added wherever the words "Exhibit A" appear.
 - b. Section 2.2 of the Agreement is hereby modified as follows:
-

2.2 Ford (or its designee) shall hold title to all Equipment for which Ford (or its designee) either partially or wholly funds the Approved Capital Expenditures. If the applicable purchase order was entered into between Visteon and the supplier, then Visteon shall transfer title to Ford (or its designee) when the Equipment is delivered to the Plant or an Additional Plant or, if already delivered, within five business days after the date of this Agreement.

c. Section 2.3 of the Agreement is hereby modified as follows:

2.3 Visteon shall complete all spending for Capital Expenditures for Projects at any Plant where one-half or more of the full amount of the Project was paid as of January 1, 2005. Visteon shall complete all spending for Capital Expenditures for Projects at any Additional Plant where one-half or more of the full amount of the Project was paid as of May 1, 2005.

3. No Other Changes. Except as specified herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Master Equipment Bailment Agreement to be executed by their authorized representatives as of the date first above written.

FORD MOTOR COMPANY

By: /s/ Don R. Leclair

Title: Executive Vice President
and Chief Financial Officer

Date: May 24, 2005

VISTEON CORPORATION

By: /s/ James F. Palmer

Title: Executive Vice President
and Chief Financial Officer

Date: May 24, 2005

News Release — For Immediate Release



Visteon, Ford Sign Memorandum of Understanding for New Business Arrangement

Plan would streamline Visteon's North American operations, improve Visteon's cost-competitiveness and balance its customer and geographic footprint

VAN BUREN TOWNSHIP, Mich., May 25, 2005 — Visteon Corporation (NYSE: VC) has signed a memorandum of understanding with Ford Motor Company that provides for significant structural changes to Visteon's North American manufacturing operations. When finalized, the transaction is expected to increase Visteon's competitiveness by streamlining and improving the cost structure of its North American operations.

"This is a milestone agreement which, upon completion, will create a more competitive business structure for Visteon in the United States and remove a number of structural barriers to the company's long-term sustainable success," said Mike Johnston, Visteon's chairman-elect and chief executive officer. "Visteon will have a more competitive North American structure, a more balanced global customer portfolio and a healthy regional mix. We will be able to accelerate our focus on products most valued by our customers and be well-positioned for growth."

Going forward, a smaller, leaner Visteon will focus its engineering and capital resources on products that have been generating significant new business with major vehicle manufacturers — interiors, climate control and electronics, including lighting. Visteon has significant global scale in these products and intends to strengthen its position through a more focused investment in capital, people and technology.

"The completion of this transaction will be a significant step forward for Visteon. We will now have the opportunity to appropriately size our operations on a global basis," said Johnston. "This positions us to achieve our vision of being a world-class automotive supplier. In every aspect of our business, we're strengthening Visteon as a global competitor. However, we will need to take significant additional restructuring actions over the next several years to bring our vision to full fruition."

Key aspects of the proposed agreement include:

- Transfer of manufacturing facilities and other locations listed below and certain associated assets, including machinery, equipment, tooling, inventory, purchase and supply contracts, and prepaid assets to a separate entity that will be acquired by Ford. Following the closing of the transaction, Visteon will not have any ownership of this new entity.
- Termination of the current leasing arrangements for approximately 17,400 Ford-UAW employees.
- Relief of Visteon's remaining liability, including about \$1.5 billion of previously deferred gains, related to Ford-UAW post-retirement health care and life insurance benefit obligations (OPEB) for former assigned employees and retirees and certain salaried retirees, totaling about \$2 billion.

Contact(s):
Media Inquiries
 Kim Welch
 734-710-5593
 kwelch5@visteon.com

Media Inquiries
 Jim Fisher
 734-710-5557 Phone
 jfisher89@visteon.com

Visteon Corporation
 One Village Center Drive
 Van Buren Twp., Mich., 48111

- Transfer of all assets in the Visteon Corporation UAW Voluntary Employee Beneficiary Association (VEBA) to the Ford-UAW VEBA.
- Ford would agree to reimburse up to \$550 million of further restructuring actions by Visteon.
- Payment of transferred inventory based on net book value at the time of closing.
- Upon the signing of the definitive agreement, Ford will provide a secured loan of \$250 million to refinance Visteon's public notes due August 1, 2005. Visteon will repay the loan when the transaction is closed.
- Visteon will issue to Ford warrants to purchase 25 million shares of Visteon stock at an exercise price of \$6.90 per share.

Under the proposed arrangement, Visteon will also provide transition services, such as information technology, human resources and accounting support to facilitate the operations of the Ford-controlled legal entity. These services will be available to the Ford-managed legal entity at cost for up to 39 months after closing the transaction, and for a period thereafter at an agreed upon mark-up. In addition, certain salaried and hourly employees will be leased from Visteon and will be directly assigned to support the operations of the Ford-controlled legal entity. These resources will be leased at cost from Visteon until transitioned to a subsequent buyer.

The non-binding memorandum of understanding is subject to certain customary conditions, regulatory approvals and the ratification of the affected Ford-UAW members assigned to Visteon. Visteon and Ford expect to sign a definitive agreement on or before August 1, 2005 and close the transaction by the end of the third quarter of 2005.

Transferred Plants and Facilities

At closing, Visteon will transfer the following plants and facilities, in alphabetical order by location:

<u>Plant / Facility</u>	<u>Location</u>	<u>Primary Operation</u>
Bellevue	Bellevue, Ohio	Service Parts
Autovidrio	Chihuahua, Mexico	Glass
El Jarudo	Chihuahua, Mexico	Powertrain
Chesterfield	Chesterfield, Michigan	Interior
Commerce Park South	Dearborn, Michigan	Engineering/Support
Glass Labs	Dearborn, Michigan	Glass
Product Assurance Center	Dearborn, Michigan	Engineering
Visteon Technical Center	Dearborn, Michigan	Engineering/Support
Indianapolis	Indianapolis, Indiana	Chassis
Kansas City VRAP	Kansas City, Missouri	Interior
Carlite Automotive	Lebanon, Tennessee	Glass
Milan	Milan, Michigan	Powertrain / Exterior
Monroe	Monroe, Michigan	Chassis
Nashville	Nashville, Tennessee	Glass
Lamosa I, II, III	Nuevo Laredo, Mexico	Chassis / Powertrain
Vitro Flex	Nuevo Leon, Mexico	Glass
Sheldon Road	Plymouth, Michigan	Climate Control

Saline	Saline, Michigan	Interior
Sandusky	Sandusky, Ohio	Powertrain / Exterior
Sterling	Sterling Heights, Michigan	Chassis
Tulsa	Tulsa, Oklahoma	Glass
Utica	Utica, Michigan	Interior / Exterior
Rawsonville	Ypsilanti, Michigan	Powertrain
Ypsilanti	Ypsilanti, Michigan	Powertrain

A Leaner, More Competitive Visteon

The agreement will reshape Visteon from a company that had \$18.7 billion in revenue in 2004 to a leaner, more competitive \$11.4 billion organization, based on estimated 2005 pro forma revenue.

“Visteon is extremely well-positioned around the world, with strong systems and engineering expertise and manufacturing capabilities serving our customers on a 24 / 7 schedule,” Johnston said.

“This agreement begins to place our North American structural issues behind us and we are preparing to restructure to be a more efficient, productive and competitive Tier I supplier.”

Upon completion of the transactions, Visteon will have a more balanced regional sales mix. Based on 2005 estimated pro forma revenue, regions outside North America would represent about 60 percent of Visteon’s total sales — up from 30 percent in 2004. Global revenue would be more equally distributed between North America and Europe with Asia Pacific accounting for the remaining 20 percent of sales. Including unconsolidated sales from joint ventures in the Asia Pacific region, Visteon’s geographic sales mix would become more balanced across all regions.

Visteon’s customer portfolio would also gain balance as sales to customers other than Ford would increase to nearly 50 percent of the company’s total global revenue, up from the 2004 level of 30 percent.

“Through the proposed Ford agreement and additional restructuring activities that will need to be implemented, Visteon has defined a path to profitability that builds on its previous operational improvements and restructuring actions”, said Jim Palmer, executive vice president and chief financial officer. “While this agreement places the company on track for sustainable long-term success, we will continue efforts to improve our operational and financial performance,” he said.

The completion of the transaction contemplated by the memorandum of understanding with Ford will allow Visteon to strengthen its global competitive position in interiors, climate, electronics and lighting. On a limited basis in Europe, Visteon will continue to serve customers in certain chassis and powertrain products lines. Visteon’s Aftermarket operations in North America and Europe will continue to offer mobile electronics and underhood parts. The transfer of operations to the new entity will remove glass products from Visteon’s aftermarket product portfolio.

Visteon expects that the transaction will result in a net gain in the range of about \$450 - \$650 million depending upon the actual amount of assets transferred. It is expected that Visteon would recognize a non-cash charge of approximately \$1.3 billion in the second quarter offset by the gains primarily associated with the relief of liabilities associated with the transaction upon closing of the transaction at the end of the third quarter.

Cash and Liquidity

Visteon and Ford also amended their March 10 Funding Agreement to further change the payment terms for certain components supplied by Visteon in the United States and received from and after June 1, 2005 to an average 18 days through July 31, 2005, then 22 days from August 1, 2005 to December 31, 2005. If the transaction is completed, payment terms would continue at 22 days through December 31, 2006. Payment terms would be 26 days in 2007. Effective January 1, 2008, the payment terms would be increased to 34.5 days and effective Jan. 1, 2009, normal payment terms would apply.

On Friday, May 20, 2005, Visteon received amendments from its lenders under its major credit facilities that will permit it to delay delivery of its first quarter 2005 financials until July 29, 2005. Further, Visteon is currently in discussions with its global credit line banks regarding its financing alternatives, including the renewal or replacement of its 364 day facility.

Conference Call Scheduled at 11 a.m. EDT Today

Mike Johnston and Jim Palmer, executive vice president and chief financial officer, will host a conference call today, Wednesday, May 25 at 11 a.m. EDT to review today's announcement. To participate in the call, callers in the U.S. should dial 888-452-7086 and callers outside of the U.S. should dial 706-643-3752. Please call approximately 10 minutes before the start of the conference. For a replay of the conference, those in the U.S. should dial 800-642-1687; outside the U.S., callers should dial 706-645-9291. The pass code to access the replay is 6636927 (domestic and international). The replay will be available until June 2, 2005.

The conference call, along with the press release, presentation material and other supplemental information, can be accessed through the investor relations section of Visteon's web site at <http://www.visteon.com>.

Visteon Corporation is a leading full-service supplier that delivers consumer-driven technology solutions to automotive manufacturers worldwide and through multiple channels including the global automotive aftermarket. Visteon has about 70,000 employees and a global delivery system of more than 200 technical, manufacturing, sales and service facilities located in 24 countries.

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Visteon news releases, photographs and product specification details
are available at www.visteon.com

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various factors, risks and uncertainties that could cause our actual results to differ materially from those expressed in these forward-looking statements, including the automotive vehicle production volumes and schedules of our customers, and in particular Ford's North American vehicle production volumes; our ability to enter into definitive agreements that reflect the terms of the Memorandum of Understanding with Ford and close the transactions that are contemplated in the Memorandum of Understanding; implementing structural changes that result from the closing of the transactions contemplated by the Memorandum of Understanding in order to achieve a competitive and sustained business; our ability to satisfy our future capital and liquidity requirements and comply with the terms of our credit agreements; the results of the investigation being conducted by Visteon's Audit Committee; the financial distress of our suppliers; our successful execution of internal performance plans and other cost-reduction and productivity efforts; charges resulting from restructurings, employee reductions, acquisitions or dispositions; our ability to offset or recover significant material surcharges; the effect of pension and other post-employment benefit obligations; as well as those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the year-ended December 31, 2004). We assume no obligation to update these forward-looking statements.



Visteon: Ford MOU Update

Analyst Presentation

May 25, 2005

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various factors, risks and uncertainties that could cause our actual results to differ materially from those expressed in these forward-looking statements, including the automotive vehicle production volumes and schedules of our customers, and in particular Ford's North American vehicle production volumes; our ability to enter into definitive agreements that reflect the terms of the Memorandum of Understanding with Ford and close the transactions that are contemplated in the Memorandum of Understanding; implementing structural changes that result from the closing of the transactions contemplated by the Memorandum of Understanding in order to achieve a competitive and sustained business; our ability to satisfy our future capital and liquidity requirements and comply with the terms of our credit agreements; the results of the investigation being conducted by Visteon's Audit Committee; the financial distress of our suppliers; our successful execution of internal performance plans and other cost-reduction and productivity efforts; charges resulting from restructurings, employee reductions, acquisitions or dispositions; our ability to offset or recover significant material surcharges; the effect of pension and other post-employment benefit obligations; as well as those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the year-ended December 31, 2004). We assume no obligation to update these forward-looking statements.

Guiding Principles – Visteon Goals



- Gain ability to run our company and control our destiny
- Achieve long-term financial viability and improve short term liquidity
- Focus on core products that can deliver technical and product advantages for our customers
- Ensure seamless support for our customers
- Provide an environment for growth and development of our people
- Be our customers' preferred supplier

MOU Overview



- Transfer all Master Agreement UAW plants and related Mexican plants, technical centers and warehouses
- Ford to forgive remaining UAW and certain salaried OPEB liability
- Ford to reimburse up to \$550 million of future Visteon restructuring
- Ford to pay for current inventory at closing of approximately \$300 million
- Visteon to receive a \$250 million short term secured loan from Ford upon definitive agreement
- Enhance liquidity through an acceleration of U.S. based Ford receivables
- Visteon to provide services and employees to a Ford managed entity
- Ford granted warrants to purchase 25 million Visteon shares

Benefits of the new Ford-Visteon Agreement



- Allows Visteon to focus on its 3 core businesses
 - Climate, Interiors & Electronics
- Streamlines and improves cost structure of North American operations
- Balances sales by customer and region
 - Reduces reliance on Ford North America
- Provides additional near-term liquidity
- Provides ability to focus on and fund necessary further restructuring

The New Visteon

Context

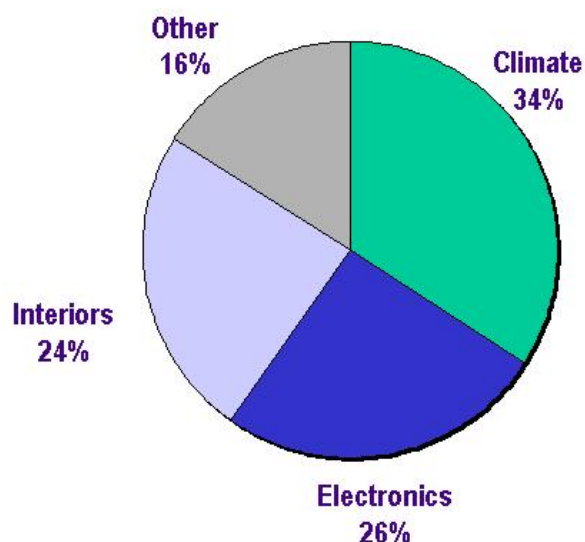


	<u>At Spin</u>	<u>2005*</u> <u>Before</u>	<u>2005*</u> <u>After</u>
Revenue	\$19.5B	\$18.9B	\$11.4B
Ford Business	84%	64%	50%
Number of Businesses	9	7	3
Number of Plants (North America)	63	58	36
Average Wages and Benefits (North America)	\$39/hr	\$38/hr	\$17/hr

* 2005 revenue estimated

Focus on Core Products

Pro Forma 2005 Revenue
(\$11.4 B Estimated)



Global Market Share

Climate

HVAC	# 5
Powertrain Cooling	# 4

Electronics

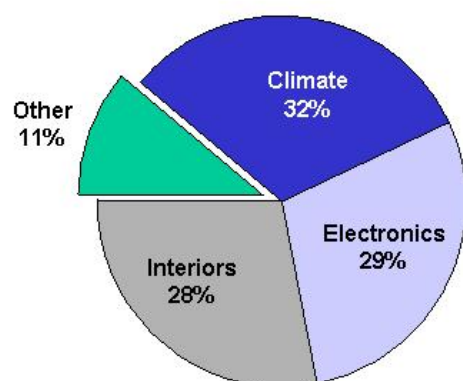
Audio (OEM)	# 2
Driver Information	# 2
Powertrain Electronics	# 5
Lighting	# 7

Interiors

Instrument Panels	# 2
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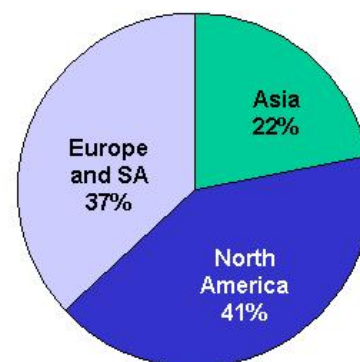
Winning in the Market

**Cumulative 2002-2004
Non-Ford New Business Wins
(Total \$2.3B)**



**Climate, Electronics, and
Interiors Represent Nearly
90% of New Wins**

**Cumulative 2002-2004
All New Business Wins
(Total \$2.7B)**



**Nearly 60% of New
Wins were Outside of
North America**

Strong Position Across Global OEMs

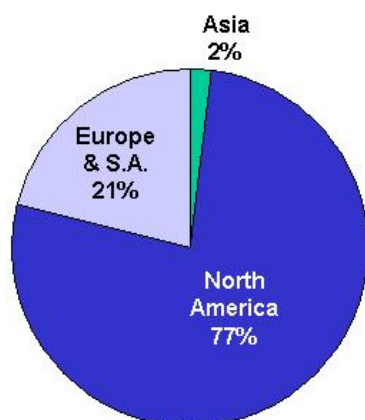


	1. Ford Motor Company
	2. Renault / Nissan
	3. Hyundai / KIA
	4. PSA / Peugeot
	5. General Motors
	6. Volkswagen
	7. DaimlerChrysler

Non-Ford Customers will account for half of global sales

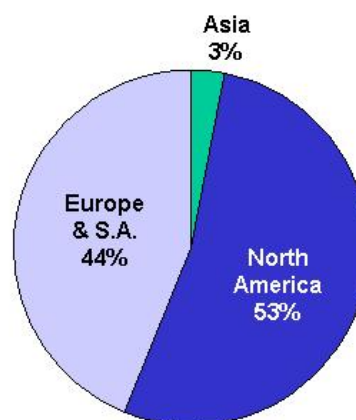
2005 Ford Revenue by Region

2005 Before
(\$12+B Estimated)



**Extremely Dependent on
Ford's N.A. Production**

2005 Pro Forma
(\$5.7B Estimated)

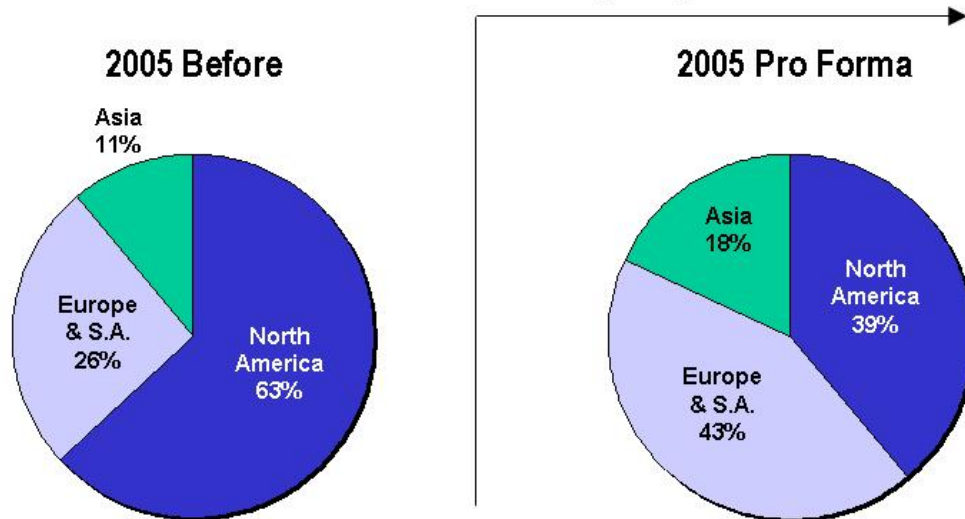


**Ford N.A. Content Per
Vehicle of Under \$1,000**

Improved Regional Diversification



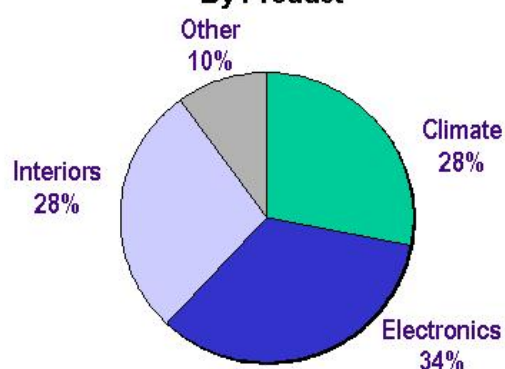
Total Estimated Revenue by Region



Excludes unconsolidated JV revenue

North America

**2005 Pro Forma Revenue
By Product**



By Customer



Manufacturing Footprint

<u>Country</u>	<u># of Plants</u>
United States	22
Mexico	13
Canada	1

Technical Centers

<u>Country</u>	<u>Products</u>
United States	Climate, Interiors, Electronics
Mexico	Electronics

More Competitive North American Footprint

Smaller plants...

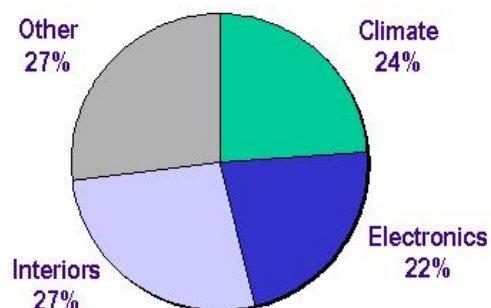
Size	Before	After
Average Plant Size (ft ²)	600k ft ²	300k ft ²
Plants more than 1M ft ²	14	1
500k to 1M ft ²	2	2
Less than 500k ft ²	42	33

... with lower headcount

People	Before	After
Average People per Plant	680	500
Greater than 1500 People	6	0
750 to 1500 People	11	6
Less than 750 People	41	30

Europe/South America

**2005 Pro Forma Revenue
By Product**



Manufacturing Footprint

Country	# of Plants
Germany	5
UK	7
France	9
Other Europe	17
Brazil	3
Argentina	3

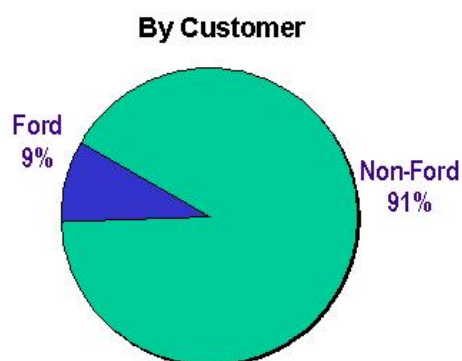
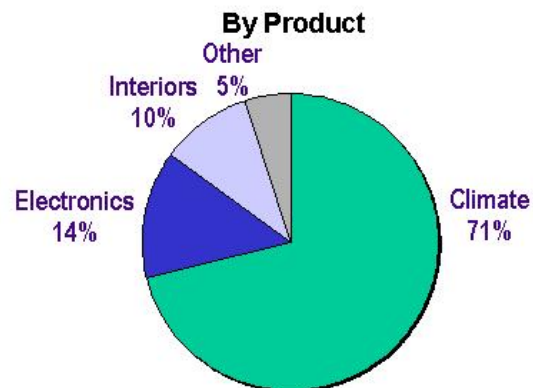
By Customer



Technical Centers

Country	Products
Germany	Climate, Electronics, Interiors
Czech Republic	Electronics, Climate
France	Interiors
UK	Electronics
Brazil	Electronics, Interiors

2005 Pro Forma Revenue



Manufacturing Footprint

<u>Country</u>	<u># of Plants</u>
China	10
South Korea	4
Japan	2
Thailand	2
India	4
Philippines	1

Technical Centers

<u>Country</u>	<u>Products</u>
China	Electronics, Interiors
South Korea	Climate
India	Electronics



MOU Details Next Steps & Near Term Results

Jim Palmer
Executive Vice President and CFO

Perspective on the MOU

- MOU is comprehensive – addressing legacy costs Visteon has faced
- Although significant losses are eliminated, additional restructuring actions required to improve our operations in both North America and in Europe
- Lower revenue base will make it necessary to reduce our fixed costs and overhead structure to more competitive levels
- We will focus Visteon on improving our financial position through an increased focus on cash flow and improving results while maintaining existing customer relationships

Near to Medium Term Actions

- **Step 1: Finalize the Definitive Agreement**
 - Reach Definitive Agreement
 - Maintain Sufficient Liquidity
- **Step 2: Restructure the New Visteon**
 - Right Size Fixed Costs Globally
 - Engineering/ R&D
 - S G & A
 - Manufacturing Plant Restructuring
 - US
 - Mexico
 - UK
 - Continue to Grow Asia Profitably
 - Infrastructure Alignment and Improvements

Agreement Highlights

Element	Detail
<ul style="list-style-type: none"> Plants and Facilities 	<ul style="list-style-type: none"> All 14 UAW Master Agreement Plants <ul style="list-style-type: none"> All UAW Master Agreement employees and OPEB liability Related Mexican Plants, technical centers and warehouses
<ul style="list-style-type: none"> Cash and Debt 	<ul style="list-style-type: none"> \$550 million for restructuring Short-term secured loan of \$250 million available after definitive agreement repaid on closing date Receive approximately \$300 million for inventory on closing date
<ul style="list-style-type: none"> Payment Terms 	<ul style="list-style-type: none"> 18 days through August 1, then 22 days through 2006 26 days through 2007 34.5 days in 2008, then normal terms 2009 and beyond
<ul style="list-style-type: none"> Liabilities 	<ul style="list-style-type: none"> Ford to accept liabilities relating to: <ul style="list-style-type: none"> Wage and benefit liabilities associated with Ford-UAW workers OPEB for retired salaried employees

Agreement Highlights

Element	Detail
<ul style="list-style-type: none"> Services and Employees 	<ul style="list-style-type: none"> Visteon to provide business services (IT, HR, Accounting, etc.) at cost for 39 months Managed entity to lease certain salaried and hourly employees from Visteon at cost
<ul style="list-style-type: none"> Other Plants 	<ul style="list-style-type: none"> Incremental revenue to offset, in part, losses on select fuel tank programs
<ul style="list-style-type: none"> Intellectual Property 	<ul style="list-style-type: none"> Agreed on the division of intellectual property and how it is to be transferred
<ul style="list-style-type: none"> Warrants 	<ul style="list-style-type: none"> Visteon to issue to Ford warrants to purchase 25 million shares of common stock at an exercise price of \$6.90

Warrants

- At closing, Ford to be granted warrants to purchase 25 million shares of Visteon stock
 - Term of 8 years
 - Exercisable after 12 months, or on change of control
 - Exercise price of \$6.90
- Fair value of warrants to be recorded as expense when granted
- Maximum dilution of about 16% if settled completely in new share issuance, would be lower if portion settled in cash

Short-Term Liquidity

- Cash of \$809 million as of March 31, 2005
- Improvement in payment terms for Ford US receivables will generate additional cash
- Under the MOU, Visteon to receive
 - \$250 million short-term secured loan from Ford for August bond maturity
 - Reimbursement of \$550 million for restructuring charges
 - \$300 million for inventory at closing
 - Visteon to retain current receivables and payables at closing
- In discussions with global lenders regarding 364 – Day and other facilities
 - Amended facilities on May 20, extending deadline for 1Q '05 financials until end of July

Restructuring Funding Arrangement



	Retained	Divested
Cash Available	\$400 Million	\$150 Million
Form of Funding	Escrow account	Ford reimbursed
Use of Funds	VC restructuring	"Leased" employees
Term	2012	2009
Residual Interest	Visteon	Visteon
Funding	100% at inception	As incurred
Payments:		
• 100% funding	Up to \$250	Up to \$50
• 50 / 50 Share	Up to \$150	Up to \$100

\$550 Million of Funding for Cash Costs of \$800 Million

Why This Makes Sense for Visteon

- **Focuses on core businesses**
- **Improves cost structure and manufacturing footprint**
- **Enhances regional and customer diversity**
- **Provides additional liquidity**
- **Provides funding for necessary restructuring actions**

