

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 July 18, 2000  
(Date of earliest event reported)

**VISTEON CORPORATION**

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-15827  
(Commission  
File Number)

38-3519512  
(I.R.S. Employer  
Identification No.)

5500 Auto Club Drive, Dearborn, Michigan  
(Address of Principal Executive Offices)

48126  
(Zip Code)

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

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**Item 5. Other Events.**

On July 18, 2000, we issued a press release concerning our second quarter 2000 earnings. The press release, filed as Exhibit 20 to this Current Report on Form 8-K, is incorporated herein by this reference.

**Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.**

| Exhibit No. | Description                       |
|-------------|-----------------------------------|
| 20          | Press release dated July 18, 2000 |

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**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.

Date: July 18, 2000

VISTEON CORPORATION

By: /s/Stacy L. Fox  
Stacy L. Fox  
Senior Vice President,  
General Counsel and Secretary

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**EXHIBIT INDEX**

| Exhibit No. | Description                      | Page |
|-------------|----------------------------------|------|
| Exhibit 20  | News Release dated July 18, 2000 |      |

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## NEWS RELEASE

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|------------------|---|---|
| <p>Contacts:</p> | <p>Media Inquiries:<br/> Liane Smyth<br/> 313-323-9628<br/> lsmyth1@visteon.com<br/> Analyst Inquiries:<br/> Kent Niederhofer<br/> 313-390-1467<br/> kniederh@visteon.com</p> | <p>Visteon Corporation<br/> Public Affairs<br/> 5500 Auto Club Drive<br/> Ste. 2W338<br/> Dearborn MI 48126<br/> Facsimile 313-845-9111</p> |
|------------------|---|---|

FOR RELEASE AT 7A.M. EDT

## VISTEON CORPORATION REPORTS SECOND QUARTER EARNINGS OF \$162 MILLION

DEARBORN, Mich., July 18, 2000 — Visteon Corporation (NYSE: VC), the world's second largest automotive supplier, announced today that it earned \$162 million during the second quarter of 2000, compared with record second quarter earnings of \$280 million a year ago. The reduction in earnings was accounted for by a one-time price realignment of 5 percent that resulted from a joint Ford-Visteon competitive pricing study.

Adjusting 1999 for the effects of the price realignment and other independence-related costs, Second Quarter 2000 earnings would have been down \$8 million versus 1999 on a pro forma basis. This year's results included a one-time charge of \$8 million connected with employee separation programs.

Second quarter revenue was \$5.3 billion in 2000, up 5 percent compared with 1999, and the after-tax return on sales was 3.2 percent.

Combined with strong First Quarter 2000 results, net income for the first half 2000 totaled \$309 million. Revenue for the first six months was \$10.5 billion and after-tax return on sales was 3.0 percent.

"We are encouraged by these results — our second quarter builds on a strong first quarter, adding up to more than \$500 million in profit before taxes," said Visteon Corporation Chairman, CEO and President Peter J. Pestillo. "Our operating improvements in the second quarter show that we are positioned well to meet our objectives for the year and deliver good shareholder value."

In addition to Visteon's independence, there have been several highlights during the second quarter 2000:

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## NEWS RELEASE

- Visteon signed a letter of intent with Pilkington plc, one of the world's leading glass manufacturers to form a new glass company. Pilkington will assume management responsibility and provide technology leadership for the new company. Visteon is working with Pilkington to finalize the transaction, with completion targeted by the end of the year.
- Visteon continues to deliver on its commitment to secure new business in 2000. Through the first half of 2000, Visteon has booked \$1.6 billion in new business. More than 33 percent of the new business contracts won in the first half of 2000 were with non-Ford customers and 28 percent were with customers outside of North America. Of that new business, more than \$500 million is in multimedia and telematics, an area that offers Visteon significant opportunities for future growth.
- Visteon has formed an affiliation with Samsung Electronics, Co., Ltd., to develop fully integrated high-quality telematics products. The association between the two companies will allow Visteon to incorporate Samsung's CDMA Voice and Data Module into a variety of Visteon telematics products for the 2002 automotive model year and beyond.
- Visteon has joined forces with Sirius Satellite Radio to develop innovative products that would combine Visteon's multimedia expertise with Sirius' 100- channel audio entertainment service.
- Visteon will work with PSA Peugeot-Citroen to develop a next generation climate control system. The two-year program will enable the two companies to develop a system aimed at improving passenger comfort and optimizing in-vehicle global thermal systems management.
- Visteon has announced a \$62 million investment in its Alba Plant in Hungary to provide state-of-the-art technology for the production of compressors, which will be supplied to the corporation's growing European customer base.
- Visteon was recognized recently by industry leaders for its excellence in design and technology at the Fifth Annual Design and Technology awards, sponsored by Auto Interiors magazine. In all, Visteon received five awards for such technologies as

## NEWS RELEASE

Visteon Corporation is a leading full-service supplier that delivers consumer-driven technology solutions to automotive manufacturers worldwide and through multiple channels within the global automotive aftermarket. Visteon has a global delivery system of more than 130 technical, manufacturing, sales, and service facilities located in 23 countries. It has 81,000 employees working in three business segments: Dynamics and Energy Conversion; Comfort, Communication and Safety; and Glass.

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Visteon news releases, photographs and product specification details are available at [www.visteon.com](http://www.visteon.com)

### Visteon Corporation and Subsidiaries CONSOLIDATED STATEMENT OF INCOME

For the Periods Ended June 30, 2000 and 1999  
(in millions, except per share amounts)

|   | Second Quarter |         | First Half  |         |
|---|----------------|---------|-------------|---------|
|   | 2000           | 1999    | 2000        | 1999    |
|   | (unaudited)    |         | (unaudited) |         |
| Sales   |                |         |             |         |
| Ford and affiliates   | \$4,571        | \$4,614 | \$ 9,047    | \$8,969 |
| Other customers   | 738            | 449     | 1,487       | 866     |
| Total sales   | 5,309          | 5,063   | 10,534      | 9,835   |
| Costs and expenses (Note 2)                                   |                |         |             |         |
| Costs of sales  | 4,849          | 4,430   | 9,644       | 8,771   |
| Selling, administrative and other expenses                    | 192            | 172     | 369         | 305     |
| Total costs and expenses                                      | 5,041          | 4,602   | 10,013      | 9,076   |
| Operating income  | 268            | 461     | 521         | 759     |
| Interest income   | 18             | 2       | 52          | 24      |
| Interest expense  | 30             | 26      | 87          | 49      |
| Net interest expense  | (12)           | (24)    | (35)        | (25)    |
| Equity in net income of affiliated companies                  | 10             | 12      | 17          | 28      |
| Income before income taxes                                    | 266            | 449     | 503         | 762     |
| Provision for income taxes                                    | 96             | 164     | 182         | 276     |
| Income before minority interests                              | 170            | 285     | 321         | 486     |
| Minority interests in net income of subsidiaries              | 8              | 5       | 12          | 1       |
| Net income  | \$ 162         | \$ 280  | \$ 309      | \$ 485  |
| Average number of shares of Common Stock outstanding (Note 5) | 130            | 130     | 130         | 130     |
| Earnings per share (Note 5)                                   |                |         |             |         |
| Basic and diluted   | \$ 1.25        | \$ 2.15 | \$ 2.38     | \$ 3.73 |

The accompanying notes are part of the financial statements.

|  | June 30,<br>2000 | December 31,<br>1999 |
|--|------------------|----------------------|
|  | (unaudited)      |                      |
| ASSETS   |                  |                      |
| Cash and cash equivalents  | \$ 965           | \$ 1,849             |
| Accounts and notes receivable — Ford and affiliates  | 2,367            | 1,578                |
| Accounts receivable — other customers  | 1,002            | 613                  |
|  |                  |                      |
| Total receivables  | 3,369            | 2,191                |
| Inventories (Note 6)   | 781              | 751                  |
| Deferred income taxes  | 72               | 110                  |
| Prepaid expenses and other current assets  | 41               | 295                  |
|  |                  |                      |
| Total current assets   | 5,228            | 5,196                |
| Equity in net assets of affiliated companies   | 216              | 205                  |
| Net property   | 5,796            | 5,789                |
| Deferred income taxes  | —                | 362                  |
| Other assets   | 455              | 897                  |
|  |                  |                      |
| Total assets   | \$11,695         | \$12,449             |
|  |                  |                      |
| LIABILITIES AND STOCKHOLDERS' EQUITY   |                  |                      |
| Trade payables   | \$ 2,270         | \$ 3,150             |
| Accrued liabilities  | 1,221            | 1,211                |
| Income taxes payable   | 43               | 153                  |
| Debt payable within one year   | 906              | 961                  |
|  |                  |                      |
| Total current liabilities  | 4,440            | 5,475                |
| Long-term debt   | 1,174            | 1,358                |
| Other liabilities  | 2,438            | 3,964                |
| Deferred income taxes  | 29               | 153                  |
|  |                  |                      |
| Total liabilities  | 8,081            | 10,950               |
| Stockholders' Equity   |                  |                      |
| Capital stock  |                  |                      |
| Preferred Stock, par value \$1.00, 50 million shares authorized, none outstanding                        | —                | —                    |
| Common Stock, par value \$1.00, 500 million shares authorized, 131 million shares issued and outstanding | 131              | —                    |
| Capital in excess of par value of stock  | 3,309            | —                    |
| Prior owner's net investment   | —                | 1,566                |
| Accumulated other comprehensive income   | (125)            | (67)                 |
| Other  | (10)             | —                    |
| Earnings retained for use in business  | 309              | —                    |
|  |                  |                      |
| Total stockholders' equity   | 3,614            | 1,499                |
|  |                  |                      |
| Total liabilities and stockholders' equity   | \$11,695         | \$12,449             |

The accompanying notes are part of the financial statements.

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## Visteon Corporation and Subsidiaries

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Periods Ended June 30, 2000 and 1999  
(in millions)

|   | First Half<br>2000 | First Half<br>1999 |
|---|--------------------|--------------------|
|   | (Unaudited)        |                    |
| Cash and cash equivalents at January 1                | \$ 1,849           | \$ 542             |
| Cash flows provided by/(used in) operating activities | (1,619)            | 1,234              |
| Cash flows from investing activities                  |                    |                    |
| Capital expenditures                                  | (284)              | (384)              |
| Acquisitions and investments in joint ventures, net   | (3)                | (508)              |
| Other   | (10)               | (35)               |

|  |               |                |
|--|---------------|----------------|
| Net cash used in investing activities                | (297)         | (927)          |
| Cash flows from financing activities                 |               |                |
| Cash distributions from/(to) prior owner             | 85            | (232)          |
| Commercial paper issuances, net                      | 410           | —              |
| Payments of short-term debt, net                     | (509)         | (18)           |
| Proceeds from issuance of short-term debt            | 1,200         | —              |
| Proceeds from issuance of other debt                 | 14            | 1,054          |
| Principal payments on other debt                     | (200)         | (84)           |
| Other  | 21            | 5              |
|  | <hr/>         | <hr/>          |
| Net cash provided by financing activities            | 1,021         | 725            |
| Effect of exchange rate changes on cash              | 11            | (10)           |
|  | <hr/>         | <hr/>          |
| Net increase/(decrease) in cash and cash equivalents | (884)         | 1,022          |
|  | <hr/>         | <hr/>          |
| <b>Cash and cash equivalents at June 30</b>          | <b>\$ 965</b> | <b>\$1,564</b> |
|  | <hr/>         | <hr/>          |

The accompanying notes are part of the financial statements.

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**Visteon Corporation and Subsidiaries**  
**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**

- Financial Statements — The financial data presented herein are unaudited, but in the opinion of management reflect those adjustments necessary for a fair presentation of such information. Results for interim periods should not be considered indicative of results for a full year. Reference should be made to the financial statements contained in the registrant's prospectus dated June 13, 2000 as filed with the Securities and Exchange Commission on June 14, 2000. For purposes of Notes to Financial Statements, "Visteon" or the "Company" means Visteon Corporation and its majority owned subsidiaries unless the context requires otherwise.

Visteon is the world's second largest supplier of automotive systems, modules and components to global vehicle manufacturers. Ford Motor Company ("Ford") established Visteon as a wholly-owned subsidiary in January 2000, and subsequently contributed or otherwise transferred to Visteon the assets and liabilities comprising Ford's automotive components and systems business. Visteon became an independent company when Ford distributed all of the shares (130 million) of Visteon common stock to the holders of record on June 12, 2000 of Ford common and Class B stock (the "spin-off").

- Selected costs and expenses are summarized as follows (in millions):

|              | <b>Second Quarter</b> |             | <b>First Half</b> |             |
|--------------|-----------------------|-------------|-------------------|-------------|
|              | <b>2000</b>           | <b>1999</b> | <b>2000</b>       | <b>1999</b> |
| Depreciation | \$155                 | \$132       | \$299             | \$263       |
| Amortization | 21                    | 19          | 43                | 37          |

Visteon recorded a pre-tax charge of approximately \$13 million (\$8 million after-tax) in the second quarter of 2000 for Visteon-designated employees that are part of special voluntary retirement and separation programs announced previously by Visteon.

- Debt — During the second quarter of 2000, Visteon established a commercial paper program under which, at June 30, 2000, about \$410 million was outstanding with maturities ranging up to 35 days and a weighted average interest rate of 6.9%. In addition, Visteon entered into financing arrangements with third-party lenders to provide up to \$2.0 billion of contractually committed, unsecured revolving credit. The revolving credit facilities are divided evenly between 364-day and 5-year commitments, maturing in June 2001 and June 2005, respectively. Borrowings under the revolving credit facilities bear interest based on a variable interest rate option selected at the time of borrowing. No amounts were outstanding under the revolving credit facilities at June 30, 2000.

In June 2000, Visteon borrowed \$1.2 billion under a short-term, unsecured financing arrangement with a third-party lender. Obligations under this arrangement mature in December 2000. Interest is paid based on a variable interest rate option selected at the time of borrowing (approximately 7% at June 30, 2000). Based on management's intent and capability to refinance this obligation through a long-term financing arrangement, \$1.0 billion of this obligation has been classified as long-term debt on the accompanying June 30, 2000 balance sheet.

- Pension and Other Postretirement Benefits — Under the terms of Visteon's separation from Ford, Ford has retained the

pension, postretirement health care and postretirement retiree life insurance obligations for most Visteon-designated employees of Ford who retired prior to the spin-off. Ford also retained the related Voluntary Employees' Beneficiary Association assets. The asset and liability transfers between Ford and Visteon postretirement benefit plans reduced Visteon's net postretirement related liabilities by about \$1.5 billion to about \$2 billion at June 30, 2000. Demographic and actuarial assumptions were used in estimating liability transfers at separation.

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**Visteon Corporation and Subsidiaries**  
**NOTES TO FINANCIAL STATEMENTS — Continued**  
**(unaudited)**

5. **Income Per Share of Common Stock** — Basic income per share of Common Stock is calculated by dividing the income attributable to Common Stock by the average number of shares of Common Stock outstanding during the applicable period, adjusted for restricted stock. For purposes of the earnings per share calculations, 130 million shares of common stock are treated as outstanding for periods prior to our spin-off from Ford. The calculation of diluted income per share of Common Stock takes into account the effect of dilutive potential common stock, such as stock options and other stock-based awards.

Income per share of Common Stock was as follows (in millions, except per share amounts):

|                                | Second Quarter 2000 |        | Second Quarter 1999 |        |
|--------------------------------|---------------------|--------|---------------------|--------|
|                                | Income              | Shares | Income              | Shares |
| Net income                     | \$ 162              | 130    | \$ 280              | 130    |
| Basic income per share         | \$1.25              |        | \$2.15              |        |
| Basic income and shares        | \$ 162              | 130    | \$ 280              | 130    |
| Net dilutive effect of options | —                   | —      | —                   | —      |
| Diluted income and shares      | \$ 162              | 130    | \$ 280              | 130    |
| Diluted income per share       | \$1.25              |        | \$2.15              |        |

  

|                                | First Half 2000 |        | First Half 1999 |        |
|--------------------------------|-----------------|--------|-----------------|--------|
|                                | Income          | Shares | Income          | Shares |
| Net income                     | \$ 309          | 130    | \$ 485          | 130    |
| Basic income per share         | \$2.38          |        | \$3.73          |        |
| Basic income and shares        | \$ 309          | 130    | \$ 485          | 130    |
| Net dilutive effect of options | —               | —      | —               | —      |
| Diluted income and shares      | \$ 309          | 130    | \$ 485          | 130    |
| Diluted income per share       | \$2.38          |        | \$3.73          |        |

Visteon sponsors a stock-based incentive plan ("Long-Term Incentive Compensation Plan" or "LTIP"). Effective at the date of the spin-off, Visteon granted to employees about 800,000 shares of restricted stock and about 2 million stock options with an exercise price equal to the average of the highest and lowest prices at which Visteon common stock was traded on the New York Stock Exchange on that date. The restricted stock will vest on the fifth anniversary of the date of grant. Such stock is considered compensation for services to be provided by employees and the related expense will be recognized over the term of the services provided. Stock options will become exercisable 33% after one year from the date of grant, an additional 33% after two years and in full after three years, and expire after 10 years from the date of grant.

6. **Inventories** are summarized as follows (in millions):

|   | June 30,<br>2000 | December 31,<br>1999 |
|---|------------------|----------------------|
| Raw materials, work in process and supplies | \$687            | \$653                |
| Finished products                           | 94               | 98                   |
| Total inventories                           | \$781            | \$751                |
| U.S. inventories                            | \$486            | \$434                |

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**Visteon Corporation and Subsidiaries**  
**NOTES TO FINANCIAL STATEMENTS — Continued**  
**(unaudited)**

7. Comprehensive Income — Other comprehensive income includes foreign currency translation adjustments. Total comprehensive income is summarized as follows (in millions):

|                            | Second Quarter |       | First Half |       |
|----------------------------|----------------|-------|------------|-------|
|                            | 2000           | 1999  | 2000       | 1999  |
| Net income                 | \$162          | \$280 | \$309      | \$485 |
| Other comprehensive income | (21)           | (18)  | (58)       | (60)  |
| Total comprehensive income | \$141          | \$262 | \$251      | \$425 |

8. Stockholders' Equity — Changes in stockholders' equity for the first half of 2000 are summarized as follows (in millions):

|   | Common Stock |        | Capital<br>in<br>Excess of<br>Par Value | Earnings<br>Retained<br>for Use<br>in<br>Business | Other  | Accumulated<br>Other<br>Comprehensive<br>Income | Prior<br>Owner's<br>Net<br>Investment | Total   |
|---|--------------|--------|---|---|--------|---|---------------------------------------|---------|
|   | Shares       | Amount |   |   |        |   |                                       |         |
| Balances at January 1, 2000                                     |              |        |   |   |        | \$ (67)   | \$ 1,566                              | \$1,499 |
| Net transfers and settlements of balances with prior owner      |              |        |   |   |        |   | 1,864                                 | 1,864   |
| Capitalization/reclassification of prior owner's net investment | 130          | \$130  | \$3,300                                 |   |        |   | (3,430)                               | —       |
| Net income  |              |        |   | \$309   |        |   |                                       | 309     |
| Issuance of restricted stock                                    | 1            | 1      | 9                                       |   | \$(10) |   |                                       | —       |
| Foreign currency translation adjustments                        |              |        |   |   |        | (58)  |                                       | (58)    |
| Balances at June 30, 2000                                       | 131          | \$131  | \$3,309                                 | \$309   | \$(10) | \$(125)   | \$ —                                  | \$3,614 |

Net transfers and settlements of balances are primarily related to Ford converting \$1,120 million of debt owed to it by Visteon under an intracompany revolving loan arrangement into an equity investment in Visteon, Ford retaining about \$573 million of prepaid health care amounts related to active employees, and asset and liability transfers between Ford and Visteon postretirement benefit plans, net of related deferred taxes.

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**Visteon Corporation and Subsidiaries**  
**NOTES TO FINANCIAL STATEMENTS — Continued**  
**(unaudited)**

9. Segment Information — Visteon's reportable operating segments are Dynamics & Energy Conversion; Comfort, Communication & Safety; and Glass. Financial information for the reportable operating segments is summarized as follows (in millions):

|                            | Dynamics &<br>Energy<br>Conversion | Comfort,<br>Communication &<br>Safety | Glass | Total<br>Visteon |
|----------------------------|------------------------------------|---------------------------------------|-------|------------------|
| Second Quarter             |                                    |                                       |       |                  |
| 2000                       |                                    |                                       |       |                  |
| Sales                      | \$2,455                            | \$2,650                               | \$204 | \$ 5,309         |
| Income/(loss) before taxes | 66                                 | 234                                   | (25)  | 266              |
| Net income/(loss)          | 42                                 | 141                                   | (15)  | 162              |
| Average assets             | 5,222                              | 5,912                                 | 609   | 11,743           |
| 1999                       |                                    |                                       |       |                  |
| Sales                      | \$2,456                            | \$2,405                               | \$202 | \$ 5,063         |

|                     |       |       |     |        |
|---------------------|-------|-------|-----|--------|
| Income before taxes | 169   | 294   | 10  | 449    |
| Net income          | 106   | 182   | 8   | 280    |
| Average assets      | 4,868 | 5,113 | 629 | 10,610 |

|                            | <b>Dynamics &amp;<br/>Energy<br/>Conversion</b> | <b>Comfort,<br/>Communication &amp;<br/>Safety</b> | <b>Glass</b> | <b>Total<br/>Visteon</b> |
|----------------------------|---|--|--------------|--------------------------|
| First Half                 |   |  |              |                          |
| 2000                       |   |  |              |                          |
| Sales                      | \$4,880   | \$5,253  | \$401        | \$10,534                 |
| Income/(loss) before taxes | 145   | 418  | (31)         | 503                      |
| Net income/(loss)          | 92  | 255  | (19)         | 309                      |
| Average assets             | 5,308   | 6,087  | 677          | 12,072                   |
| 1999                       |   |  |              |                          |
| Sales                      | \$4,825   | \$4,608  | \$402        | \$ 9,835                 |
| Income before taxes        | 294   | 476  | 17           | 762                      |
| Net income                 | 185   | 303  | 13           | 485                      |
| Average assets             | 4,808   | 4,826  | 662          | 10,296                   |

Total income before taxes in the table above includes \$9 million, \$29 million, \$24 million and \$25 million of net interest expense not allocated to the reportable operating segments for the second quarter 2000, first half 2000, second quarter 1999 and first half 1999, respectively. Total net income in the table above includes \$6 million, \$19 million, \$16 million and \$16 million of expense related to net interest expense not allocated to the reportable operating segments for the second quarter 2000, first half 2000, second quarter 1999 and first half 1999, respectively.

10. Other — On July 13, 2000, the Board of Directors of Visteon declared a quarterly dividend of \$0.06 per share on the Company's common stock. The dividend is payable on September 1, 2000 to shareholders of record as of August 2, 2000.

On June 2, 2000, Visteon and Ford signed a non-binding letter of intent with Pilkington plc, relating to Visteon's Glass business. The parties have agreed to negotiate the terms of a joint venture, pursuant to which Pilkington would acquire about 81% of Visteon's Glass business for cash consideration and would assume operational management of that business.

For the year ended December 31, 1999, the Glass segment represented 6% of Visteon's average assets, 4% of Visteon's total sales and less than one half of one percent of Visteon's net income. Visteon's Carlite(R) aftermarket operations would be included in the business to be transferred to the joint venture. In connection with the transaction, Ford would enter into a separate supply agreement with the joint venture, which would supersede Ford's supply agreement with Visteon. If a definitive agreement is reached, we expect to complete this transaction during 2000. If completed, and dependent upon the terms ultimately agreed to, this transaction would likely result in Visteon incurring a significant charge to earnings. However, the letter of intent is non-binding, and we cannot assure you that a definitive agreement will be reached, or that it will not differ materially from the description above.