
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) October 28, 2009

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 2 — FINANCIAL INFORMATION

Item 2.02. Results of Operations and Financial Condition.

On October 28, 2009, the registrant issued a press release regarding its financial results for the third quarter and first nine months of 2009. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in Exhibit 99.1 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 7 — REGULATION FD

Item 7.01. Regulation FD Disclosure.

See “Item 2.02. Results of Operations and Financial Condition” above.

SECTION 9 — FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---------------------------------------|
| 99.1 | Press release dated October 28, 2009. |

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

Date: October 28, 2009

By: /s/ Michael J. Widgren
Michael J. Widgren
Vice President, Corporate Controller
and Chief Accounting Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> | <u>Page</u> |
|--------------------|---------------------------------------|-------------|
| 99.1 | Press release dated October 28, 2009. | |



Visteon Announces Third-Quarter 2009 Results

Third Quarter Summary

- **Product sales of \$1.67 billion**
 - **Up 13 percent from second quarter 2009**
 - **Down 17 percent from third quarter 2008**
- **Operating performance continues to improve**
 - **Third straight quarterly improvement**
 - **Gross margin of \$116 million, up 170 percent from third quarter 2008**
- **Net loss of \$38 million vs. net loss of \$188 million in 2008**
- **Cash remains strong**
 - **Quarter-end cash balance of \$814 million**
 - **Operating cash flow of \$84 million**

VAN BUREN TOWNSHIP, Mich., Oct. 28, 2009 — Visteon Corporation (OTC: VSTN) today announced its third-quarter 2009 results, reporting a net loss of \$38 million, or 29 cents per share, on total sales of \$1.73 billion. For the third quarter of 2008, Visteon reported a net loss of \$188 million, or \$1.45 per share, on total sales of \$2.12 billion. Adjusted EBITDA, as defined below, for third quarter 2009 was \$125 million, compared with \$5 million in third quarter 2008.

For the third straight quarter, Visteon's product sales, gross margin and adjusted EBITDA improved sequentially, reflecting continued benefits from restructuring and cost-saving actions along with increases in OEM vehicle production.

"Despite the difficult operating environment, our third-quarter results reflect the continued efforts of our employees to build a global framework for business success which is focused on serving our customers with innovative products and technologies," said Donald J. Stebbins, chairman and chief executive officer. "While we believe the global auto industry is recovering from historically low levels of production, there remain challenges as the industry stabilizes."

Third quarter product sales to Ford Motor Co. and Hyundai-Kia each accounted for 27 percent of total product sales. Renault-Nissan and PSA Peugeot Citroen accounted for about 10 percent and 6 percent of sales, respectively. On a regional basis, Asia accounted for about 36 percent of total product sales, with Europe representing 35 percent, North America 22 percent and the balance in South America.

Third Quarter 2009 Results

For third quarter 2009, total sales were \$1.73 billion, including product sales of \$1.67 billion and services revenue of \$61 million. Product sales decreased by about \$340 million, or 17 percent, year-over-year as the impact of foreign currency and divestitures and facility closures reduced sales by about \$130 million and \$90 million, respectively. Lower production, net of new business, further

reduced sales by about \$90 million. Aside from the Asian region where sales were largely unchanged from the prior year, Visteon experienced lower sales in all the other major regions in which it operates, reflecting decreased customer production volumes in response to weak global economic conditions.

Gross margin for third quarter 2009 was \$116 million, or 6.7 percent of sales, an increase of \$73 million compared with \$43 million, or 2.0 percent of sales, for the same period a year ago. Favorable cost performance, reflecting ongoing operational efficiencies as well as recently implemented restructuring actions, and foreign currency more than offset the impact of lower production levels.

Selling, general and administrative expense for third quarter 2009 totaled \$95 million, a decrease of \$43 million, or 31 percent, compared with the same period a year ago, reflecting the benefit of significant headcount and other cost-reduction actions.

For third quarter 2009, the company reported a net loss of \$38 million, or 29 cents per share. This compares with a net loss of \$188 million, or \$1.45 per share, in the same quarter a year ago. Restructuring and reorganization costs of \$27 million and \$23 million, respectively, were incurred during the quarter while reimbursement from customers totaled \$4 million. Third-quarter 2008 results included \$42 million of restructuring costs and \$19 million of asset impairments and loss on divestiture, along with \$39 million of escrow reimbursement.

Equity in net income of non-consolidated affiliates increased \$21 million to \$26 million in third quarter 2009 as compared to the same period in 2008 largely reflecting continued customer production increases in Asia Pacific. Income tax expense for third quarter 2009 was \$18 million compared with \$31 million in the same period a year ago. Adjusted EBITDA for third quarter 2009 was \$125 million, compared with \$5 million for third quarter 2008.

First Nine Months 2009

For the first nine months of 2009, total sales of \$4.65 billion were lower by \$3.2 billion, or 41 percent, compared with the same period a year earlier. For the first nine months of 2009, Visteon reported a net loss of \$148 million, or \$1.14 per share, compared with a net loss of \$335 million, or \$2.59 per share during the first nine months of 2008. Adjusted EBITDA for the first nine months of 2009 was \$220 million, compared with \$359 million in the same period last year.

Cash Flow and Liquidity

As of September 30, 2009, Visteon had cash balances totaling \$814 million, \$72 million higher than June 30, 2009 levels.

Cash generated by operating activities totaled \$84 million for third quarter 2009, a \$244 million improvement over the cash use of \$160 million during the same period a year ago. The improvement was attributable to lower net losses, as adjusted for non-cash items, and lower trade working capital outflows. Trade working capital in the third quarter 2009 reflected, among other items, the impact of pre-petition payables that have not been settled. Capital expenditures were \$29 million for third quarter 2009, compared with \$76 million in third quarter 2008, reflecting the company's continued management of program investment. Free cash flow, as defined below, was \$55 million for third quarter 2009, or \$291 million better than 2008 which was a use of \$236 million.

New Business Wins

Visteon continues to win new business despite the difficult economic environment. During the first nine months of 2009, Visteon won more than \$400 million in incremental new business. On a regional basis, Asia and North America each accounted for 41 percent of the total, with Europe accounting for the remaining 18 percent.

Visteon is a leading global automotive supplier that designs, engineers and manufactures innovative climate, interior, electronic and lighting products for vehicle manufacturers, and also provides a range of products and services to aftermarket customers. With corporate offices in Van Buren Township, Mich. (U.S.); Shanghai, China; and Chelmsford, UK; the company has facilities in 26 countries and employs approximately 30,000 people.

Forward-looking Information

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, but not limited to,

- the potential adverse impact of the Chapter 11 proceedings on our business, financial condition or results of operations, including our ability to maintain contracts and other customer and vendor relationships that are critical to our business and the actions and decisions of our creditors and other third parties with interests in our Chapter 11 proceedings;
- our ability to maintain adequate liquidity to fund our operations during the Chapter 11 proceedings and to fund a plan of reorganization and thereafter, including obtaining sufficient debtor-in-possession and “exit” financing; maintaining normal terms with our vendors and service providers during the Chapter 11 proceedings and complying with the covenants and other terms of our financing agreements;
- our ability to obtain court approval with respect to motions in the Chapter 11 proceedings prosecuted from time to time and to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the Chapter 11 proceedings and to consummate all of the transactions contemplated by one or more such plans of reorganization or upon which consummation of such plans may be conditioned;
- conditions within the automotive industry, including (i) the automotive vehicle production volumes and schedules of our customers, and in particular Ford's and Hyundai/Kia's vehicle production volumes, (ii) the financial condition of our customers or suppliers and the effects of any restructuring or reorganization plans that may be undertaken by our customers or suppliers or work stoppages at our customers or suppliers, and (iii) possible disruptions in the supply of commodities to us or our customers due to financial distress or work stoppages;
- general economic conditions, including changes in interest rates and fuel prices; the timing and expenses related to internal restructurings, employee reductions, acquisitions or dispositions and the effect of pension and other post-employment benefit obligations;
- increases in raw material and energy costs and our ability to offset or recover these costs, increases in our warranty, product liability and recall costs or the outcome of legal or regulatory proceedings to which we are or may become a party; and
- those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2008).

The risks and uncertainties and the terms of any reorganization plan ultimately confirmed can affect the value of our various pre-petition liabilities, common stock and/or other securities. No assurance can be

given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. A plan of reorganization could result in holders of our liabilities and/or securities receiving no value for their interests. Because of such possibilities, the value of these liabilities and/or securities is highly speculative. Accordingly, we urge that caution be exercised with respect to existing and future investments in any of these liabilities and/or securities. Caution should be taken not to place undue reliance on our forward-looking statements, which represent our view only as of the date of this release, and which we assume no obligation to update. The financial results presented herein are preliminary and unaudited; final financial results will be included in the company's Quarterly Report on Form 10-Q for the fiscal quarter ended Sept. 30, 2009.

Use of Non-GAAP Financial Information

This press release contains information about Visteon's financial results which is not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures at the end of this press release.

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

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VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in Millions, Except Per Share Data)
(Unaudited)

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net sales | | | | |
| Products | \$ 1,672 | \$ 2,010 | \$ 4,449 | \$ 7,530 |
| Services | 61 | 110 | 205 | 361 |
| | <u>1,733</u> | <u>2,120</u> | <u>4,654</u> | <u>7,891</u> |
| Cost of sales | | | | |
| Products | 1,557 | 1,968 | 4,211 | 7,064 |
| Services | 60 | 109 | 202 | 358 |
| | <u>1,617</u> | <u>2,077</u> | <u>4,413</u> | <u>7,422</u> |
| Gross margin | 116 | 43 | 241 | 469 |
| Selling, general and administrative expenses | 95 | 138 | 300 | 442 |
| Restructuring expenses | 27 | 42 | 72 | 117 |
| Reimbursement from escrow and accommodation agreements | 4 | 39 | 66 | 81 |
| Reorganization items | 23 | — | 30 | — |
| Deconsolidation gain | — | — | 95 | — |
| Asset impairments and loss on divestitures | — | 19 | — | 70 |
| Operating loss | (25) | (117) | — | (79) |
| Interest expense, net | 6 | 38 | 102 | 122 |
| Equity in net income of non-consolidated affiliates | <u>26</u> | <u>5</u> | <u>52</u> | <u>35</u> |
| Loss before income taxes | (5) | (150) | (50) | (166) |
| Provision for income taxes | <u>18</u> | <u>31</u> | <u>63</u> | <u>131</u> |
| Net loss | (23) | (181) | (113) | (297) |
| Net income attributable to noncontrolling interests | <u>15</u> | <u>7</u> | <u>35</u> | <u>38</u> |
| Net loss attributable to Visteon | \$ (38) | \$ (188) | \$ (148) | \$ (335) |
| Per share data: | | | | |
| Net loss per share attributable to Visteon | \$ (0.29) | \$ (1.45) | \$ (1.14) | \$ (2.59) |
| Average shares outstanding (millions) | | | | |
| Basic | 129.4 | 129.4 | 129.4 | 129.5 |
| Diluted | 129.4 | 129.4 | 129.4 | 129.5 |

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

| | (Unaudited) September 30 2009 | December 31 2008 |
|---|-------------------------------------|---------------------|
| ASSETS | | |
| Cash and equivalents | \$ 712 | \$ 1,180 |
| Restricted cash | 102 | — |
| Accounts receivable, net | 1,126 | 989 |
| Inventories, net | 360 | 354 |
| Other current assets | 224 | 249 |
| Total current assets | 2,524 | 2,772 |
| Property and equipment, net | 2,039 | 2,162 |
| Equity in net assets of non-consolidated affiliates | 266 | 220 |
| Other non-current assets | 78 | 94 |
| Total assets | \$ 4,907 | \$ 5,248 |
| LIABILITIES AND SHAREHOLDERS' DEFICIT | | |
| Short-term debt, including current portion of long-term debt and debt in default | \$ 136 | \$ 2,697 |
| Accounts payable | 952 | 1,058 |
| Accrued employee liabilities | 159 | 228 |
| Other current liabilities | 262 | 288 |
| Total current liabilities | 1,509 | 4,271 |
| Long-term debt | 66 | 65 |
| Employee benefits | 416 | 1,031 |
| Deferred income taxes | 149 | 139 |
| Other non-current liabilities | 340 | 365 |
| Liabilities subject to compromise | 3,126 | — |
| Shareholders' deficit: | | |
| 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, 130 million and 131 million shares outstanding, respectively) | 131 | 131 |
| Stock warrants | 127 | 127 |
| Additional paid-in capital | 3,407 | 3,407 |
| Accumulated deficit | (4,852) | (4,704) |
| Accumulated other comprehensive income | 201 | 157 |
| Other | (5) | (5) |
| Total Visteon shareholders' deficit | (991) | (887) |
| Noncontrolling interests | 292 | 264 |
| Total shareholders' deficit | (699) | (623) |
| Total liabilities and shareholders' deficit | \$ 4,907 | \$ 5,248 |

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)
(Unaudited)

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Operating Activities | | | | |
| Net loss | \$ (23) | \$ (181) | \$ (113) | \$ (297) |
| Adjustments to reconcile net loss to net cash provided from operating activities: | | | | |
| Depreciation and amortization | 93 | 102 | 255 | 327 |
| Deconsolidation gain | — | — | (95) | — |
| Asset impairments and loss on divestitures | — | 19 | — | 70 |
| Equity in net income of non-consolidated affiliates, net of dividends remitted | (26) | (4) | (46) | (30) |
| Reorganization items | 23 | — | 30 | — |
| Other non-cash items | (9) | (15) | (17) | (58) |
| Changes in assets and liabilities: | | | | |
| Accounts receivable and retained interests | (103) | 239 | (142) | 204 |
| Inventories | (18) | 1 | 6 | (16) |
| Accounts payable | 114 | (302) | 50 | (259) |
| Other | 33 | (19) | (79) | (94) |
| Net cash provided from (used by) operating activities | 84 | (160) | (151) | (153) |
| Investing Activities | | | | |
| Capital expenditures | (29) | (76) | (87) | (230) |
| Cash associated with deconsolidation | — | — | (11) | — |
| Proceeds from divestitures and asset sales | 1 | 6 | 5 | 65 |
| Other | — | 1 | — | 5 |
| Net cash used by investing activities | (28) | (69) | (93) | (160) |
| Financing Activities | | | | |
| Short-term debt, net | (5) | (10) | (24) | 24 |
| Cash restriction | (7) | — | (102) | — |
| Proceeds from issuance of debt, net of issuance costs | — | — | 56 | 185 |
| Principal payments on debt | — | (46) | (119) | (78) |
| Repurchase of unsecured debt securities | — | — | — | (337) |
| Other, including book overdrafts | 2 | (30) | (56) | (62) |
| Net cash used by financing activities | (10) | (86) | (245) | (268) |
| Effect of exchange rate changes on cash | 19 | (58) | 21 | (44) |
| Net increase (decrease) in cash and equivalents | 65 | (373) | (468) | (625) |
| Cash and equivalents at beginning of period | <u>647</u> | <u>1,506</u> | <u>1,180</u> | <u>1,758</u> |
| Cash and equivalents at end of period | <u>\$ 712</u> | <u>\$ 1,133</u> | <u>\$ 712</u> | <u>\$ 1,133</u> |

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Dollars in Millions)
(Unaudited)

In this press release the Company has provided information regarding certain non-GAAP financial measures including "Adjusted EBITDA" and "free cash flow." Such non-GAAP financial measures are reconciled to their closest US GAAP financial measure in the schedules below.

Adjusted EBITDA: Adjusted EBITDA represents net income (loss) attributable to Visteon before net interest expense, provision for income taxes and depreciation and amortization and excludes asset impairments, non-operating gains and losses, net unreimbursed restructuring expenses and other reimbursable costs, and reorganization items. Management believes Adjusted EBITDA is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's continuing operating activities.

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net loss | \$ (38) | \$ (188) | \$ (148) | \$ (335) |
| Interest expense, net | 6 | 38 | 102 | 122 |
| Provision for income taxes | 18 | 31 | 63 | 131 |
| Depreciation and amortization | 93 | 102 | 255 | 327 |
| Asset impairments, loss on divestitures and deconsolidation gain | — | 19 | (95) | 70 |
| Restructuring and other related costs | 27 | 42 | 79 | 125 |
| Reimbursement from escrow and accommodation agreements | (4) | (39) | (66) | (81) |
| Reorganization items | 23 | — | 30 | — |
| Adjusted EBITDA | \$ 125 | \$ 5 | \$ 220 | \$ 359 |

Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net income (loss) as an indicator of operating performance or to cash flows from operating activities as a measure of liquidity. Because not all companies use identical calculations this presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Additionally, Adjusted EBITDA is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements.

Free Cash Flow: Free cash flow represents cash flow from operating activities less capital expenditures. Management believes that free cash flow is useful in analyzing the Company's ability to service and repay its debt, for planning and forecasting future periods and as a measure for compensation purposes.

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash provided from (used by) operating activities | \$ 84 | \$ (160) | \$ (151) | \$ (153) |
| Capital expenditures | (29) | (76) | (87) | (230) |
| Free cash flow | \$ 55 | \$ (236) | \$ (238) | \$ (383) |

Free cash flow is not a recognized term under GAAP and does not reflect cash used to service debt and does not reflect funds available for investment or other discretionary uses.