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 19, 2002
(Date of earliest event reported)

VISTEON CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-15827	38-3519512
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5500 Auto Club Drive, Dearborn, Michigan	48126
(Address of principal executive offices)	(Zip Code)

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

ITEM 5. OTHER EVENTS.

On July 19, 2002, we issued a press release concerning our second quarter 2002 results. 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 19, 2002

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: July 19, 2002

By: /s/Stacy L. Fox

Stacy L. Fox
Senior Vice President,
General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description	Page
Exhibit 20	Press Release dated July 19, 2002	

Exhibit 20

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[VISTEON LOGO]

[NEWS RELEASE]

VISTEON CORPORATION REPORTS SECOND QUARTER NET INCOME OF $72 MILLION; ANNOUNCES EUROPEAN RESTRUCTURING

DEARBORN, Mich., July 19, 2002 - Visteon Corporation (NYSE: VC) today announced net income of $72 million for the Second Quarter or $0.56 per share - in line with consensus expectations. In the Second Quarter of 2001, Visteon posted a net loss of $40 million or $0.31 per share, including a $100 million after-tax restructuring charge. Excluding the restructuring charge Visteon earned $60 million or $0.46 per share in the Second Quarter of 2001.

"Our results reflected stronger North American production volumes and continued solid cost performance," said Pete Pestillo, Chairman and Chief Executive Officer. "We are particularly pleased with the $850 million in new business we've won this year from new customers." Visteon announced a major restructuring of European manufacturing operations, which Pestillo said would significantly improve Visteon's cost base and ability to win new business.

FIRST HALF RESULTS
For the First Half of 2002, Visteon earned $73 million or $0.57 per share compared with $91 million or $0.70 per share for the same period a year ago; both periods exclude special items. Including special items, which consist of previously reported restructuring charges of $74 million and $100 million in the First Quarter of 2002 and Second Quarter of 2001, respectively, and the non-cash write-off for the value of goodwill of $265 million after-tax associated with the adoption of SFAS No. 142 during the First Quarter of 2002,

[NEWS RELEASE]

Visteon reported a net loss of $266 million in the First Half of 2002 and a net loss of $9 million in the First Half of 2001.

SALES AND NON-FORD BUSINESS WINS

Second Quarter 2002 sales totaled $5.0 billion, compared with $4.9 billion in the Second Quarter 2001. The increase compared with a year ago reflects primarily new business and stronger production volumes in North America, offset partially by price reductions provided to our customers and the divestiture of our restraint electronics business. Non-Ford sales during the Second Quarter 2002 increased 9% to over $900 million and represent 18% of total sales.

Sales for the First Half of 2002 totaled $9.5 billion, down $120 million from the same period a year ago. The decline was more than accounted for by a reduction in Ford revenue of $206 million, offset partially by an $86 million increase in Non-Ford sales.

The strong customer reception to Visteon products continued. Visteon won more than $650 million in net new Non-Ford business during the quarter, including substantial wins with Nissan, General Motors, DaimlerChrysler, Volkswagen, PSA Peugeot Citroen and Renault. During the First Half of 2002, the company has won more than $850 million of net new Non-Ford business.

CASH AND DEBT-TO-CAPITAL

During the Second Quarter of 2002, Visteon generated $227 million in operating cash flow. Additionally, the company ended the quarter with $1.2 billion in cash and marketable securities. Over the same period, the company's debt-to-capital ratio improved nearly 3 percentage points and ended the quarter at 36.7%.

EUROPEAN RESTRUCTURING

As part of the company's ongoing restructuring efforts to improve operations, the company is implementing a comprehensive plan in Europe. Under the plan, Visteon and its unions in Europe have committed to restructuring actions of manufacturing operations in the UK, Germany and France. The plan seeks to improve the company's cost base in Europe, allowing it to be more competitive and improve financial results in the future. Implementation of the plan will begin in the Second Half of this year and is expected to generate ongoing annual pre-tax savings of about $100 million by 2004. The company expects to incur total pre-tax charges of up to $150 million relating to the plan, of which $80-95 million is expected in the Second Half of 2002.

OUTLOOK

The company affirmed an estimate of full year net income of $50-80 million, excluding special items. For the Third Quarter, Visteon projected a net loss of $30-45 million excluding special items, based on seasonally lower Third

Quarter volumes. Full year net income, including previously announced and new restructuring actions as well as the First Quarter $265 million writeoff of goodwill, is projected to be a loss of $310-350 million.

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 about 79,000 employees and a global delivery system of more than 180 technical, manufacturing, sales, and service facilities located in 25 countries.

This press release contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as "anticipate" and "projected" signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 29, 2002. Should any risks or uncertainties develop into actual events, these developments could have material adverse effects on Visteon's business, financial condition and results of operations.

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

VISTEON CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL DATA
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS, PERCENTAGES AND AS NOTED)

	2002		2002 OVER/(UNDER) 2001*	
	SECOND QUARTER	FIRST HALF	SECOND QUARTER	FIRST HALF
	(UNAUDITED)			
SALES				
Ford and affiliates	$ 4,128	$7,774	$ 61	$ (206)
Other customers	911	1,734	73	86
Total sales	$ 5,039	$9,508	$ 134	$ (120)
DEPRECIATION AND AMORTIZATION				
Depreciation	$ 140	$ 280	$ (2)	$ (2)
Amortization	20	41	(6)	(15)
Total depreciation and amortization	$ 160	$ 321	$ (8)	$ (17)
SELLING, ADMINISTRATIVE AND OTHER EXPENSES				
Amount**	$ 216	$ 418	$ 15	$ 10
Percent of revenue	4.3%	4.4%	0.2 pts	0.2 pts
INCOME (LOSS) BEFORE INCOME TAXES				
As reported	$ 117	$ 10	$ 174	$ 12
Excluding special items**	117	126	16	(30)
NET INCOME (LOSS)				
As reported	$ 72	$ (266)	$ 112	$ (257)
Before cumulative effect of change in accounting principle	72	(1)	112	8
Excluding special items**	72	73	12	(18)
EARNINGS (LOSS) PER SHARE (DILUTED)				
As reported	$ 0.56	$(2.07)	$0.87	$(2.00)
Before cumulative effect of change in accounting principle	0.56	(0.01)	0.87	0.06
Excluding special items**	0.56	0.57	0.10	(0.13)
EFFECTIVE TAX RATE	36%	36%	(1) pts	(1) pts
EBITDA, AS ADJUSTED**				
Amount	$ 287	$ 475	$ 3	$ (47)
Percent of revenue	5.7%	5.0%	(0.1) pts	(0.4) pts
AFTER TAX RETURNS**				
On sales	1.6%	0.9%	0.3 pts	(0.2) pts
On assets	2.8	1.5	0.5	(0.3)
On equity	9.5	4.6	2.6	(0.7)
CAPITAL EXPENDITURES				
Amount	$ 159	$ 299	$ (9)	$ (41)
Percent of revenue	3.2%	3.1%	(0.2) pts	(0.4) pts
OPERATING CASH FLOW***	$ 227	$ 182	$ (6)	$ 308
CASH AND BORROWING (AT END OF PERIOD)				
Cash and marketable securities		$1,219		$ (44)
Borrowing		1,809		(162)

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* Second Quarter and First Half 2001 comparable amounts include amortization of goodwill of $6 million ($5 million after-tax) and $12 million ($9 million after-tax), respectively.

** First Half 2002 amounts exclude costs related to restructuring and other items of $116 million ($74 million after-tax) and the write-down in the value of goodwill associated with the adoption of SFAS 142 of $265 million after-tax.

Second Quarter and First Half 2001 amounts exclude costs related to restructuring items of $158 million ($100 million after-tax), of which $42 million was recorded as selling, administrative and other expenses.

*** Includes capital expenditures; excludes $32 million related to the sale of receivables for the Second Quarter and First Half 2002; excludes $23 million, $60 million, $32 million and $32 million related to restructuring actions for Second Quarter 2002, First Half 2002, Second Quarter 2001 and First Half 2001, respectively.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIODS ENDED JUNE 30, 2002 AND 2001
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	SECOND QUARTER		FIRST HALF	
	2002	2001	2002	2001
	(UNAUDITED)		(UNAUDITED)	
SALES				
Ford and affiliates	$ 4,128	$4,067	$7,774	$ 7,980
Other customers	911	838	1,734	1,648
Total sales	5,039	4,905	9,508	9,628
COSTS AND EXPENSES (NOTES 2 AND 3)				
Costs of sales	4,696	4,704	9,052	9,152
Selling, administrative and other expenses	216	243	418	450
Total costs and expenses	4,912	4,947	9,470	9,602
OPERATING INCOME (LOSS)	127	(42)	38	26
Interest income	5	14	11	33
Interest expense	24	36	53	72
Net interest expense	(19)	(22)	(42)	(39)
Equity in net income of affiliated companies	9	7	14	11
INCOME (LOSS) BEFORE INCOME TAXES	117	(57)	10	(2)
Provision (benefit) for income taxes	38	(23)	(2)	(4)
INCOME (LOSS) BEFORE MINORITY INTERESTS	79	(34)	12	2
Minority interests in net income of subsidiaries	7	6	13	11
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	72	(40)	(1)	(9)
Cumulative effect of change in accounting principle, net of tax (Note 10)	-	-	(265)	-
NET INCOME (LOSS)	$ 72	$ (40)	$ (266)	$ (9)
Average number of shares of Common Stock outstanding	131	131	131	131
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (NOTE 4)				
Before cumulative effect of change in accounting principle	$ 0.56	$(0.31)	$(0.01)	$(0.07)
Cumulative effect of change in accounting principle	-	-	(2.06)	-
Basic and diluted	$ 0.56	$(0.31)	$(2.07)	$(0.07)
CASH DIVIDENDS PER SHARE	$ 0.06	$ 0.06	$ 0.12	$ 0.12

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(IN MILLIONS)

	JUNE 30, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Cash and cash equivalents	$ 876	$ 1,024
Marketable securities	343	157
Total cash and marketable securities	1,219	1,181
Accounts receivable -- Ford and affiliates	1,803	1,560
Accounts receivable -- other customers	886	834
Total receivables	2,689	2,394
Inventories (Note 7)	987	858
Deferred income taxes	167	167
Prepaid expenses and other current assets	150	153
Total current assets	5,212	4,753
Equity in net assets of affiliated companies	164	158
Net property	5,375	5,329
Deferred income taxes	485	322
Goodwill (Note 10)	-	363
Other assets	176	153
TOTAL ASSETS	$ 11,412	$ 11,078
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade payables (Note 7)	$ 2,174	$ 1,831
Accrued liabilities	1,026	945
Income taxes payable	29	30
Debt payable within one year	504	629
Total current liabilities	3,733	3,435
Long-term debt	1,305	1,293
Postretirement benefits other than pensions	2,196	2,079
Other liabilities	1,045	967
Deferred income taxes	14	13
Total liabilities	8,293	7,787
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, 131 million and 130 million shares outstanding, respectively	131	131
Capital in excess of par value of stock	3,311	3,311
Accumulated other comprehensive income (loss)	(114)	(231)
Other	(32)	(25)
Earnings retained for use in business (accumulated deficit)	(177)	105
Total stockholders' equity	3,119	3,291
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,412	$ 11,078

The accompanying notes are part of the financial statements.
See Note 7 -- Inventories and Related Pending Adjustments.

VISTEON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2002 AND 2001
(IN MILLIONS)

	FIRST HALF 2002 (UNAUDITED)	FIRST HALF 2001 (UNAUDITED)
CASH AND CASH EQUIVALENTS AT JANUARY 1	$ 1,024	$ 1,412
Cash flows provided by operating activities	453	182
Cash flows from investing activities		
Capital expenditures	(299)	(340)
Purchases of securities	(437)	(148)
Sales and maturities of securities	250	145
Other	26	35
Net cash used in investing activities	(460)	(308)
Cash flows from financing activities		
Commercial paper repayments, net	(111)	(9)
Short-term debt, net	-	1
Proceeds from issuance of other debt	66	54
Principal payments on other debt	(77)	(97)
Purchase of treasury stock	(11)	(20)
Cash dividends	(16)	(16)
Net cash used in financing activities	(149)	(87)
Effect of exchange rate changes on cash	8	(4)
Net decrease in cash and cash equivalents	(148)	(217)
CASH AND CASH EQUIVALENTS AT JUNE 30	$ 876	$ 1,195

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

1. FINANCIAL STATEMENTS -- The financial data presented herein are unaudited, but in the opinion of management reflect those adjustments, including normal recurring adjustments, necessary for a fair statement of such information. Results for interim periods should not be considered indicative of results for a full year. Reference should be made to the consolidated financial statements and accompanying notes included in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, as filed with the Securities and Exchange Commission on March 29, 2002. Certain amounts for prior periods were reclassified to conform with present period presentation.

Visteon Corporation ("Visteon") is a leading, global supplier of automotive systems, modules and components. Visteon sells products primarily to global vehicle manufacturers, and also sells to the worldwide aftermarket for replacement and vehicle appearance enhancement parts. Visteon became an independent company when Ford Motor Company ("Ford") established Visteon as a wholly-owned subsidiary in January 2000 and subsequently transferred to Visteon the assets and liabilities comprising Ford's automotive components and systems business. Ford completed its spin-off of Visteon on June 28, 2000 (the "spin-off"). Prior to incorporation, Visteon operated as Ford's automotive components and systems business.

2. SELECTED COSTS AND EXPENSES are summarized as follows:

	SECOND QUARTER		FIRST HALF	
	2002	2001	2002	2001
	(IN MILLIONS)			
Depreciation	$ 140	$ 142	$ 280	$ 282
Amortization	20	26	41	56
Total	$ 160	$ 168	$ 321	$ 338

Amortization amounts for 2001 include amortization of goodwill of $6 million and $12 million for the second quarter and first half of 2001, respectively.

3. SPECIAL CHARGES -- In the first quarter of 2002, Visteon recorded in costs of sales pre-tax charges of $116 million ($74 million after-tax), as summarized below:

	PRE-TAX	AFTER-TAX
	(IN MILLIONS)	
Restructuring and other charges:		
First quarter 2002 actions*	$ 95	$ 61
Adjustments to prior year's expenses	(5)	(3)
Total restructuring and other charges	90	58
Loss related to sale of restraint electronics business	26	16
Total special charges	$ 116	$ 74

* Includes $5 million related to the write-down of inventory.

In the first quarter of 2002, Visteon recorded pre-tax charges of $95 million related to the separation of 820 employees at Markham, Ontario as the company moves nearly all of the non-restraint electronics business to facilities in Mexico, the elimination of about 215 engineering positions in the United States to reduce research and development costs, the closure of our Visteon Technologies facility in California and the related discontinuation of support for our aftermarket navigation systems product line, the closure of our Leatherworks facility in Michigan and the elimination of about 240 manufacturing positions in Mexico. The engineering-related and Mexican manufacturing-related separations, and the closure of Visteon Technologies, were completed in the first quarter of 2002. The separation of approximately 85 Markham employees occurred in the second quarter of 2002, with the remaining separations expected to be completed by the end of 2002.

3. SPECIAL CHARGES -- (CONTINUED) -- Also in the first quarter of 2002, $5 million of accrued restructuring liabilities relating to prior year restructuring plans were reversed reflecting a change in estimated costs to complete these activities.

Effective April 1, 2002, Visteon completed the sale of its restraint electronics business to Autoliv, Inc. for $25 million. The sale includes Visteon's North American and European order book of approximately $150 million in annual sales to Ford Motor Company and its affiliates, including associated manufacturing operations in Markham, Ontario, as well as related assets and liabilities. As part of the sale, approximately 270 employees from Markham and about 95 engineers from Dearborn, Michigan transferred to Autoliv.

The following table summarizes the activity related to the remaining restructuring reserves from the 2001 actions, as well as restructuring reserve activity related to the 2002 actions. This table does not include the loss related to the sale of the electronics restraint business.

	AUTOMOTIVE OPERATIONS		GLASS OPERATIONS	
	EMPLOYEE-RELATED	OTHER	EMPLOYEE-RELATED	TOTAL
	(IN MILLIONS)			
December 31, 2001 reserve balance	$ 16	$ -	$ 7	$ 23
Pre-tax charges recorded in costs of sales:				
First quarter 2002 actions	81	14	-	95
Adjustments to prior year's expenses	(3)	-	(2)	(5)
Total net expense	78	14	(2)	90
Utilization	(56)	(12)	(2)	(70)
Foreign exchange translation	2	-	-	2
June 30, 2002 reserve balance	$ 40	$ 2	$ 3	$ 45

During the second quarter of 2001, Visteon recorded pre-tax charges of $158 million ($100 million after-tax), of which $146 million related to the elimination of more than 2,000 salaried positions worldwide and $12 million related to the closure of two European facilities, ZEM in Poland and Wickford in the U.K., and other actions. Of the total pre-tax charges, $42 million is recorded in selling, administrative and other expenses and $116 million is recorded in cost of sales, and $142 million is recorded by the Automotive Operations segment and $16 million is recorded by the Glass Operations segment.

Reserve balances of $23 million and $45 million at December 31, 2001 and June 30, 2002, respectively, are included in current accrued liabilities on the accompanying balance sheets. The June 30, 2002 reserve balance of $45 million includes $11 million related to 2001 restructuring activities. The company currently anticipates that the restructuring activities to which all of the above charges relate will be substantially completed in 2002.

4. 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. The average number of shares of restricted stock outstanding was about 2,780,000, 2,420,000, 1,370,000 and

1,210,000 for the second quarter of 2002, first half of 2002, second quarter of 2001 and first half of 2001, respectively. The calculation of diluted income per share takes into account the effect of dilutive potential common stock, such as stock options and restricted stock. For the second quarter of 2002, 1,106,000 shares were included as potentially dilutive. For the first half of 2002, second quarter of 2001 and first half of 2001 potential common stock of about 712,000, 404,000 and 202,000 shares, respectively, are excluded as the effect would have been antidilutive.

5. TRANSACTIONS WITH FORD AND ITS AFFILIATES -- Visteon's supply agreement and related pricing letter with Ford Motor Company required Visteon to provide Ford with productivity price adjustments for 2001, 2002 and 2003. In March 2002, Visteon and Ford reached an agreement resolving North American pricing for 2001 that was consistent with Visteon's previously established reserves. In June 2002, Visteon and Ford reached an agreement resolving European pricing for 2001 and 2002 that, together with resolution of other commercial matters, was consistent with Visteon's previously established reserves.

6. LAND LEASE -- In January 2002, Visteon completed an arrangement with a special-purpose entity, owned by an affiliate of a bank, to lease land in Southeast Michigan for a headquarters facility. The lease had an initial lease term through June 30, 2002, which was subsequently extended through September 30, 2002, at which time Visteon has the option to renew the lease on terms mutually acceptable to Visteon and the lessor, purchase the land or arrange for the sale of the property. Visteon has a contingent liability for up to about $23 million in the event the property is sold for less than full cost.

As of June 30, 2002, the assets, liabilities, results of operations and cash flows of the special-purpose entity are included in Visteon's consolidated financial statements, based on an assessment made when the lease was extended, that substantially all of the expected residual risks and rewards of the leased land reside with Visteon. This assessment included consideration of the terms of the lease agreement, the amount of the owner's equity capital investment, and that as part of the extension of the lease all of the special-purpose entity's debt was financed by Visteon.

7. INVENTORIES AND RELATED PENDING ADJUSTMENTS -- Inventories are summarized as follows:

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN MILLIONS)	
Raw materials, work-in-process and supplies	$ 845	$ 728
Finished products	142	130
Total inventories	$ 987	$ 858
U.S. inventories	$ 621	$ 525

During the second quarter of 2002, Visteon became aware that the terms of its purchase orders did not adequately reflect its understanding of the terms of its pay on production agreements with certain suppliers. Generally, Visteon's policy is to organize arrangements with suppliers to support its production inventory needs with just-in-time deliveries of materials and not take ownership from or authorize payment to suppliers until such time as the materials have been consumed in the production process. Because of these circumstances, the company has revised its inventory recognition practices to reflect these receipts as an increase in raw materials inventory and trade payables of $107 million at June 30, 2002. In addition, the company is in the process of measuring the revision required to adjust the December 31, 2001 inventory and trade payables balances. The amount of this adjustment is expected to be generally consistent with the June 30, 2002 adjustment. The process for measuring this adjustment is expected to be completed prior to filing the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002.

Company management is in the process of obtaining formal documentation of these pay on production terms from our vendors and we will reflect these vendor agreements when obtained, on a prospective basis.

8. DEBT -- During the second quarter of 2002, Visteon renewed its financing arrangements with third-party lenders that provide contractually committed, unsecured revolving credit facilities. The new financing arrangements are with a syndicate of lenders providing for a maximum of $1.8 billion in committed, unsecured credit facilities (the "Credit Facilities"). The terms of the Credit Facilities provide for a 364-day revolving credit line in the amount of $775 million, which expires June 2003, and a five-year revolving credit line in the amount of $775 million, which expires June 2007. The Credit Facilities also provide for a five-year delayed draw term loan in the amount of $250 million, which will be used primarily to finance construction of a headquarters facility in Southeast Michigan. Consistent with the prior financing arrangements, the Credit Facilities would bear interest based on a variable interest rate option selected at the time of borrowing and the Credit Facilities contain certain affirmative and negative covenants including a covenant not to exceed a specified leverage ratio. As of June 30, 2002, there were no amounts outstanding under the Credit Facilities.

9. COMPREHENSIVE INCOME (LOSS) -- Other comprehensive income (loss) mainly includes foreign currency translation adjustments. Total comprehensive income (loss) is summarized as follows:

	SECOND QUARTER		FIRST HALF	
	2002	2001	2002	2001
	(IN MILLIONS)			
Net income (loss)	$ 72	$ (40)	$ (266)	$ (9)
Other comprehensive income (loss)	126	(47)	117	(67)
Total comprehensive income (loss)	$ 198	$ (87)	$ (149)	$ (76)

10. ACCOUNTING CHANGE -- In 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". SFAS 142 no longer permits amortization of goodwill and establishes a new method of testing goodwill for impairment by using a fair-value based approach. Under this statement goodwill is to be evaluated for possible impairment as of January 1, 2002, and periodically thereafter.

Visteon adopted SFAS 142 on January 1, 2002. As required by this standard, an initial test for goodwill impairment was performed which compared the fair value of our Automotive Operations segment to the segment's net book value. Visteon's stock market capitalization, as well as market multiples and other factors, were used as the basis for determining the fair value of the Automotive Operations segment. Because the fair value of the Automotive Operations segment was less than its net book value, Visteon recorded an impairment loss on goodwill of $363 million ($265 million after-tax) as a cumulative effect of change in accounting principle in the first quarter of 2002. The pre-tax impairment loss consists of $357 million of net goodwill as of December 31, 2001 and $6 million reclassified to goodwill related to certain acquired intangible assets, as required by SFAS 142.

The following presents net income and earnings per share, adjusted to reflect the adoption of the non-amortization provisions of SFAS 142, as of the beginning of the periods presented:

	2001					2000
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	FULL YEAR

	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)					
NET INCOME (LOSS)						
Reported net income (loss)	$ 31	$(40)	$ (95)	$ (14)	$ (118)	$ 270
Goodwill amortization, net of tax	4	5	4	4	17	18
Adjusted net income (loss)	$ 35	$(35)	$ (91)	$ (10)	$ (101)	$ 288
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED						
Reported earnings (loss) per share	$0.24	$ (0.31)	$ (0.74)	$(0.11)	$(0.91)	$2.08
Goodwill amortization, net of tax	0.03	0.04	0.03	0.03	0.13	0.14
Adjusted earnings (loss) per share	$0.27	$ (0.27)	$ (0.71)	$ (0.08)	$(0.78)	$2.22

11. SEGMENT INFORMATION -- Visteon's reportable operating segments are Automotive Operations and Glass Operations. Financial information for the reportable operating segments is summarized as follows:

	AUTOMOTIVE OPERATIONS	GLASS OPERATIONS	TOTAL VISTEON
		(IN MILLIONS)	
SECOND QUARTER			
2002			
Sales	$ 4,876	$ 163	$ 5,039
Income before taxes	108	9	117
Net income	66	6	72
Average assets	10,867	294	11,161
Goodwill, end of period	-	-	-
2001			
Sales	$ 4,730	$ 175	$ 4,905
Income (loss) before taxes	(45)	(12)	(57)
Net income (loss)	(33)	(7)	(40)
Average assets	11,113	309	11,422
Goodwill, end of period	357	-	357
FIRST HALF			
2002			
Sales	$ 9,197	$ 311	$ 9,508
Income (loss) before taxes	(8)	18	10
Net income (loss)	(278)	12	(266)
Average assets	10,958	287	11,245
Goodwill, end of period	-	-	-
2001			
Sales	$ 9,288	$ 340	$ 9,628
Income (loss) before taxes	15	(17)	(2)
Net income (loss)	-	(9)	(9)
Average assets	11,069	304	11,373
Goodwill, end of period	357	-	357

12. LITIGATION AND CLAIMS -- Various legal actions, governmental investigations and proceedings and claims are pending or may be instituted or asserted in the future against Visteon, including those arising out of alleged defects in Visteon's products; governmental regulations relating to safety; employment-related matters; customer, supplier and other contractual relationships; intellectual property rights; product warranties; and environmental matters. Some of the foregoing matters involve or may involve compensatory, punitive, or antitrust or other treble damage claims in very large amounts, or demands for recall campaigns, environmental remediation programs, sanctions, or other relief which, if granted, would require very large expenditures.

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by Visteon for matters discussed in the foregoing paragraph where losses are deemed probable; these reserves are adjusted periodically to reflect estimates of ultimate probable outcomes. It is reasonably possible, however, that some of the matters discussed in the foregoing paragraph for which reserves have not been established could be decided unfavorably to Visteon and could require Visteon to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at June 30, 2002. Visteon does not reasonably expect, based on its analysis, that any adverse outcome from such matters would have a material effect on future consolidated financial statements for a particular year, although such an outcome is possible.

Visteon has resolved a number of commercial issues with Ford. See Note 5 for further discussion of some of the commercial issues resolved with Ford under the supply agreement and pricing letter agreement.

13. SUBSEQUENT EVENT -- As part of Visteon's ongoing restructuring efforts to improve operations, the company is implementing a comprehensive plan in Europe. Under the plan, Visteon and its unions in Europe have committed to restructuring actions of manufacturing operations in the UK, Germany and France. The plan seeks to improve Visteon's cost base in Europe, allowing it to be more competitive and improve financial results in the future. Implementation of the plan will begin in the second half of this year and is expected to generate ongoing annual pre-tax savings of about $100 million by 2004. The company expects to incur total pre-tax charges of up to $150 million relating to the plan, of which $80-95 million is expected in the second half of 2002.