
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) January 11, 2006

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.

Several senior executives of Visteon Corporation (the “Company”) are expected to make a presentation on January 11, 2006 to investors and security analysts at the Automotive Analysts of New York 2006 Detroit Automotive Conference in Dearborn, Mich., which will include a discussion of the Company’s strategy and financial outlook, including an estimate of its financial results for fiscal year 2005. In connection with such presentation, the Company is making available the presentation slides attached hereto as Exhibit 99.1, which are 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.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On January 11, 2006, the Company announced a three-year improvement plan that involves the restructuring of certain underperforming and non-strategic plants and businesses to improve operating performance and other cost reductions efforts. This plan is expected to affect up to 23 facilities.

The Company anticipates incurring costs related to this restructuring plan in the fourth quarter of 2005 and future periods. Costs likely to be incurred are generally expected to include severance and benefits costs, contract termination costs, production transfer costs and impairment of the facilities and equipment involved. Cumulative costs associated with this restructuring plan are currently estimated to be approximately \$800 million, of which approximately \$250 million is expected to be non-cash costs and approximately \$400 million is expected to be reimbursable under the escrow agreement with Ford Motor Company. However, the precise timing and amount of these costs are likely to change as the details of the plan are finalized over the plan period.

Statements contained in this report, which are not historical fact, constitute “Forward-Looking Statements.” Actual results may differ materially due to numerous important factors that are described in the Company’s most recent report to the SEC on Form 10-Q, which may be revised or supplemented in subsequent reports to the SEC on Forms 10-K and 8-K. The Company does not intend or assume any obligation to update any forward-looking statement.

Item 2.06. Material Impairments.

The information set forth under Item 2.05 above relating to impairment charges is incorporated herein by reference.

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	Presentation slides from the Company’s webcast presentation at the Automotive Analysts of New York 2006 Detroit Automotive Conference to be held on January 11, 2006.

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: January 11, 2006

By: /s/ William G. Quigley III
William G. Quigley III
Vice President, Corporate Controller
and Chief Accounting Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Page</u>
99.1	Presentation slides from Visteon Corporations' webcast presentation at the Automotive Analysts of New York 2006 Detroit Automotive Conference to be held on January 11, 2006.	



Business Update and 2006–2008 Outlook

Automotive Analysts of New York
January 11, 2006

Agenda



- ▶ Mike Johnston, Chairman & CEO
- ▶ Don Stebbins, President & COO
- ▶ Jim Palmer, Executive Vice President & CFO

Our Roadmap for Success



- ▶ **Shaping our Future**
 - Taking decisive action to create sustainable success
 - Executing a focused strategy to win
 - Implementation of our 3 year plan
- ▶ **Improving our Operations**
 - Diversifying our customer base
 - Strengthening our core businesses
 - Enhancing our global footprint
- ▶ **Creating Value**
 - Reducing our expense base through restructuring and operational efficiencies
 - Improving cash flow focus
 - Delivering year-over-year improvements

Please see appendix for important disclosures regarding "Use of Non-GAAP Financial Information" and "Forward Looking Statements".

2005 – A Year of Significant Action

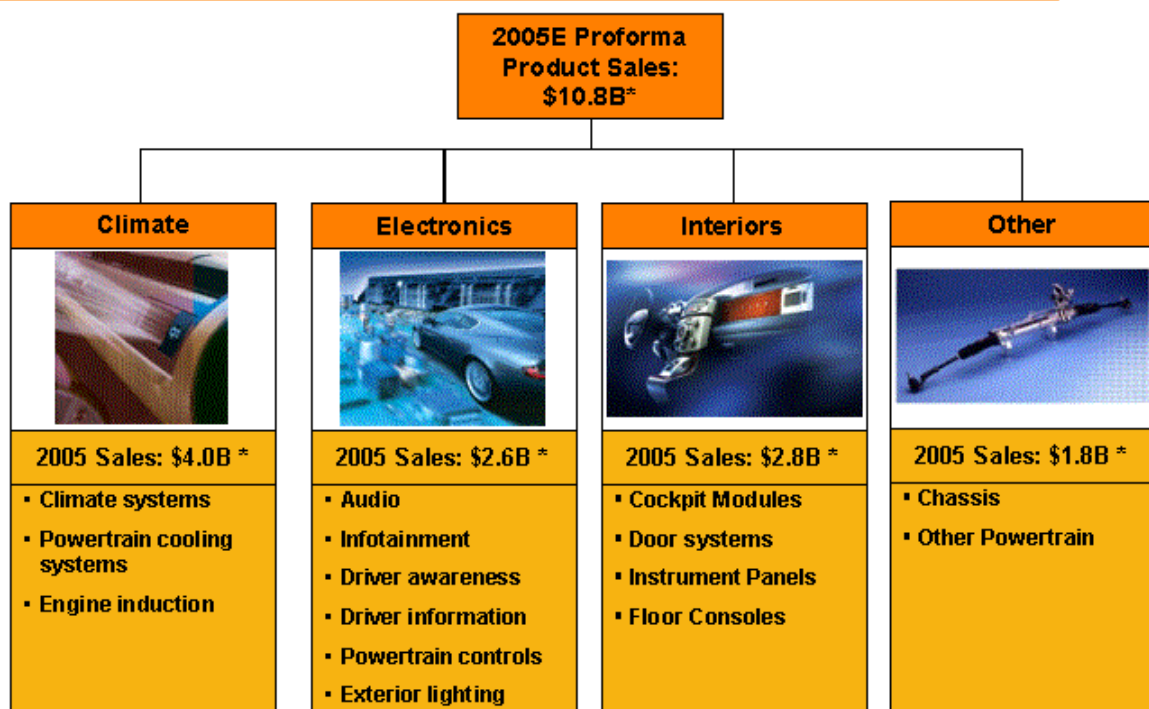


- ▶ Completed Ford agreement
 - Established Visteon Services
 - Shaped a smaller, leaner Visteon
- ▶ Implemented global operating organization
 - Product and customer focus
- ▶ Expanded global capabilities
 - China
 - Mexico
 - Eastern Europe
 - India
- ▶ Established restructuring framework
 - Focused on non-strategic and underperforming operations
- ▶ Added key leadership talent

Driving value and sustainable performance

*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Visteon Overview



*Excludes intra-company sales eliminations. Pro forma product sales estimates used in this presentation are total revenue excluding ACH Services revenue and is presented as if certain transactions with Ford Motor Company and Automotive Components Holdings, Inc. were consummated as of January 1, 2005. Please see slides titled "Use of Non-GAAP Financial Information" in the appendix to this presentation for further information.

Agreement with Ford



- ▶ Transaction closed October 1
 - Significant gain to be recognized in 4Q results
- ▶ Transferred 23 facilities and 18,000 UAW employees to Ford
- ▶ Issued warrants to Ford to purchase 25 million shares
- ▶ Approximately 4,500 salaried workers support transferred business – establishment of Visteon Services
- ▶ Received \$300 million for transferred assets
- ▶ Reduced OPEB and other liabilities
- ▶ \$550 million of cash for restructuring

Restructuring Funding Arrangements



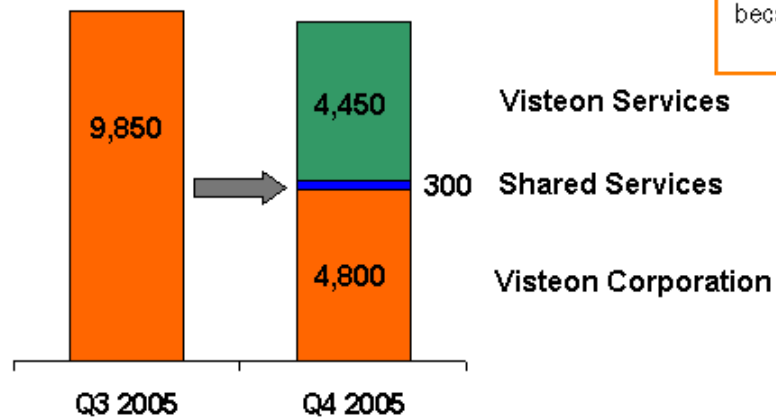
	<u>Escrow Account</u>	<u>Ford Reimbursement</u>
Cash Available	\$400 Million	\$150 Million
Form of Funding	Escrow account	Ford reimbursed
Use of Funds	VC restructuring	"Leased" employees
Term	2012	2009
Residual Interest	Visteon	Visteon
Funding	100% at inception	As incurred
Ford Payments:		
▶ 100% funding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

\$550 million of funding for cash outlays of \$800 million

Impact of Ford Transaction



North American Salaried and Agency Workforce



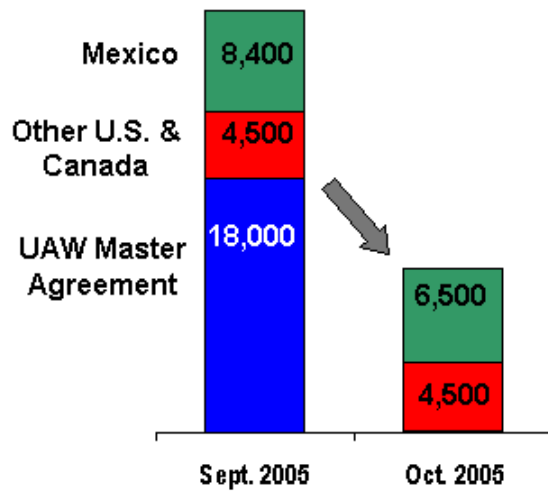
800 Employees from Rawsonville and Sterling became Ford employees on Jan 1, 2006

North American salaried staff scaled to competitive levels

Impact of Ford Transaction



North American Hourly Workforce



	Before	Present
Average Hourly Wage	\$ 38	\$ 17
Average Plant Size (hourly employees)	680	500
Average Plant Size (square feet)	600,000	300,000
Number of plants larger than 1 million square feet	14	1

More competitive North American manufacturing footprint;
additional room for improvement

Why Visteon?



Well positioned in the market

- ▶ Strong product positions across 3 core areas
- ▶ Balanced regional sales
- ▶ Diverse customer base

Clear three year roadmap to improve the business

- ▶ Leadership driving operational improvements
- ▶ Clear restructuring plans
- ▶ Administrative & engineering efficiencies

Improved financial outlook




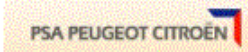




- ▶ Significant year-over-year operating profit improvements
- ▶ Improving free cash flow

Driving value and sustainable performance

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.

Strong Customer Lineup



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

Customers around the world continue to
reward Visteon with new orders

New Business Backlog



Backlog by Year

(Bils)

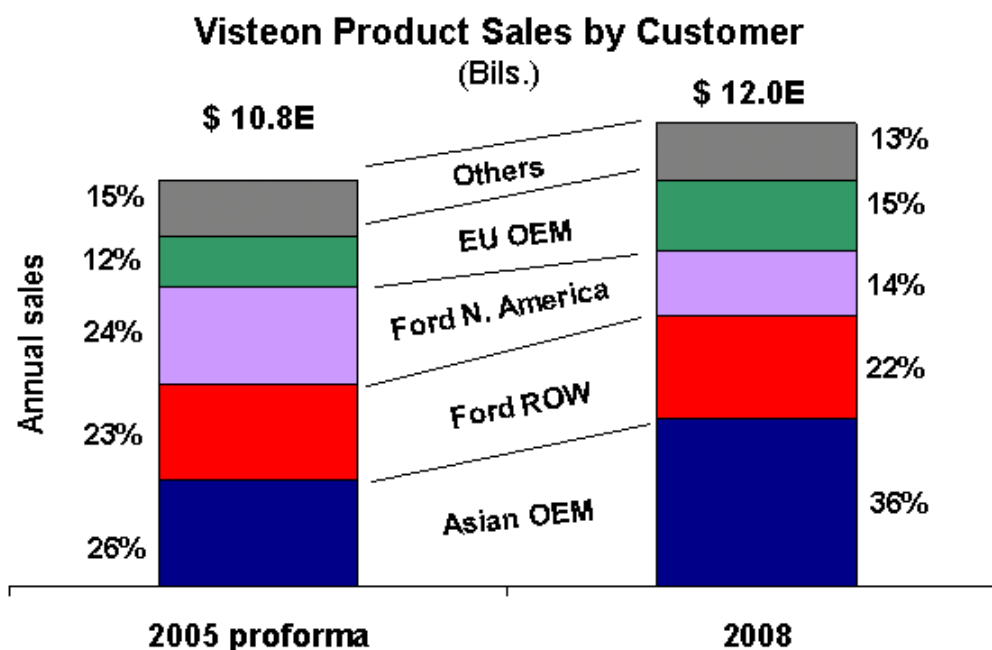


- ▶ Strong new business backlog supports revenue growth in forward years
- ▶ Solid growth with Asian OEMs
- ▶ Ford North America sharply declining as percent of total revenue

\$1.5 billion backlog – basis for continued growth

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.

Diverse Customer Base



- ▶ Asian OEMs become our largest block of customers
- ▶ Reduced reliance on Ford North America

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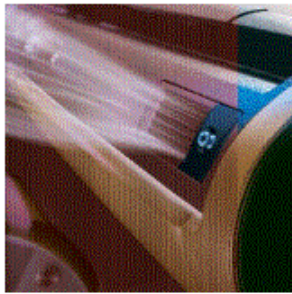
Our Organization – What's Changed



- ▶ Re-organized the company
 - Changed to Global Product Groups
 - Continued Customer Focused Groups
- ▶ Significantly tightened controls on spending
- ▶ Increased quality focus
- ▶ Added emphasis on customer value and speed

Performance-oriented culture

Focused Product Portfolio



- ▶ Climate – Number 2 globally
- ▶ Electronics – Number 4 globally
- ▶ Interiors – Number 2 globally



Strong market positions
in the segments where we compete

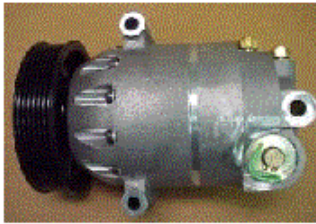
Innovative Solutions



**High Intensity Discharge (HID)/
Xenon Lighting**



Exclusive Nintendo Entertainment Products



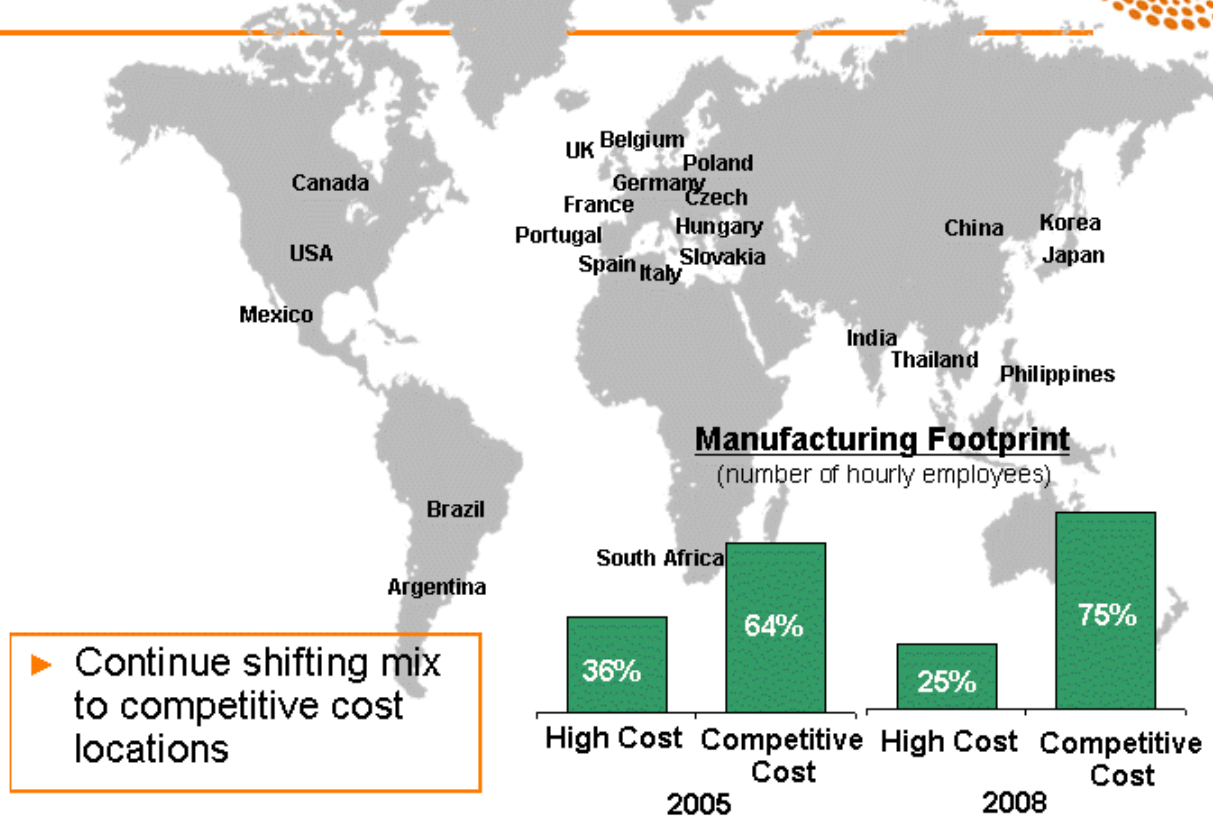
CO₂ Climate Control Systems



Integrated Cockpit Solutions

Pipeline of Customer Valued Innovations

Globally Competitive Manufacturing Footprint

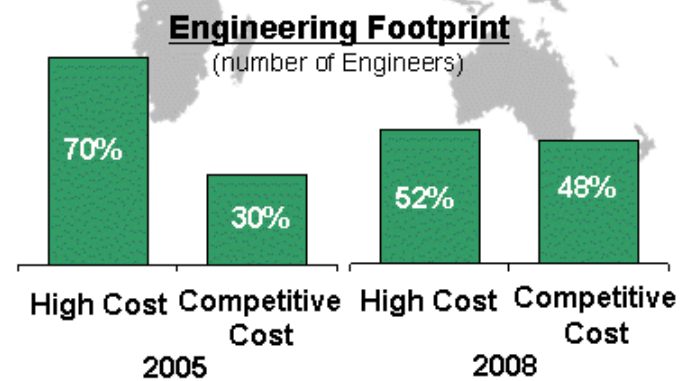


* Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Globally Competitive Engineering Footprint



- ▶ Well positioned to serve our customers
- ▶ Total engineering headcount will rise; costs will remain flat

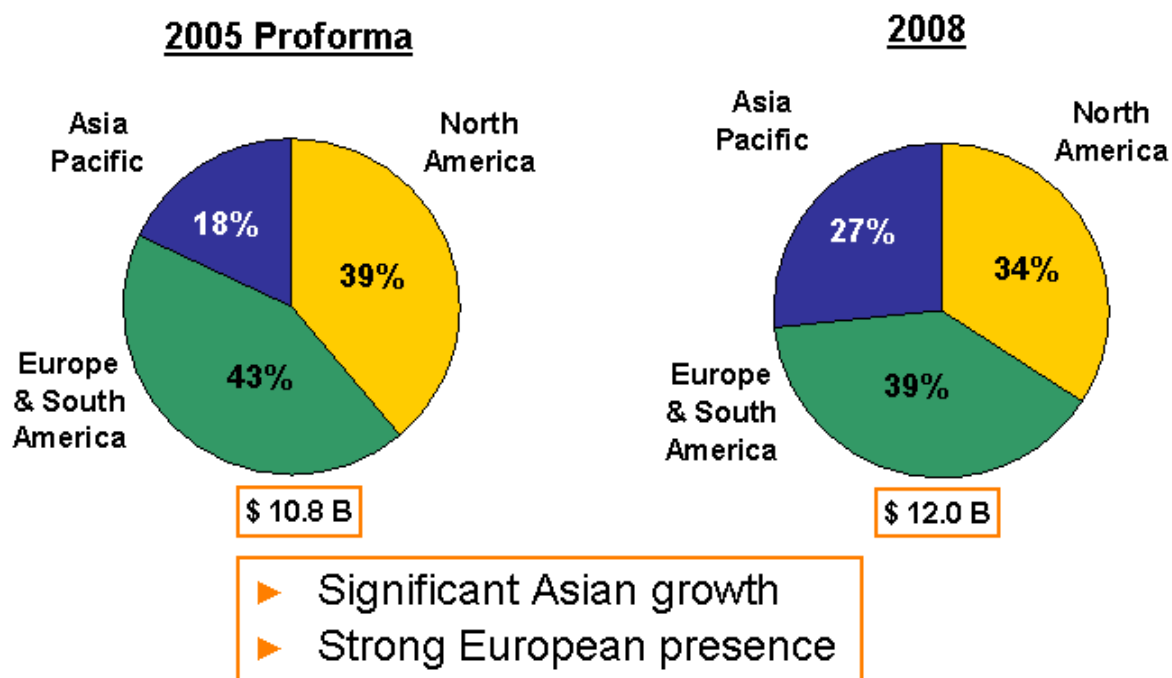


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Balanced Global Sales



Consolidated Product Sales

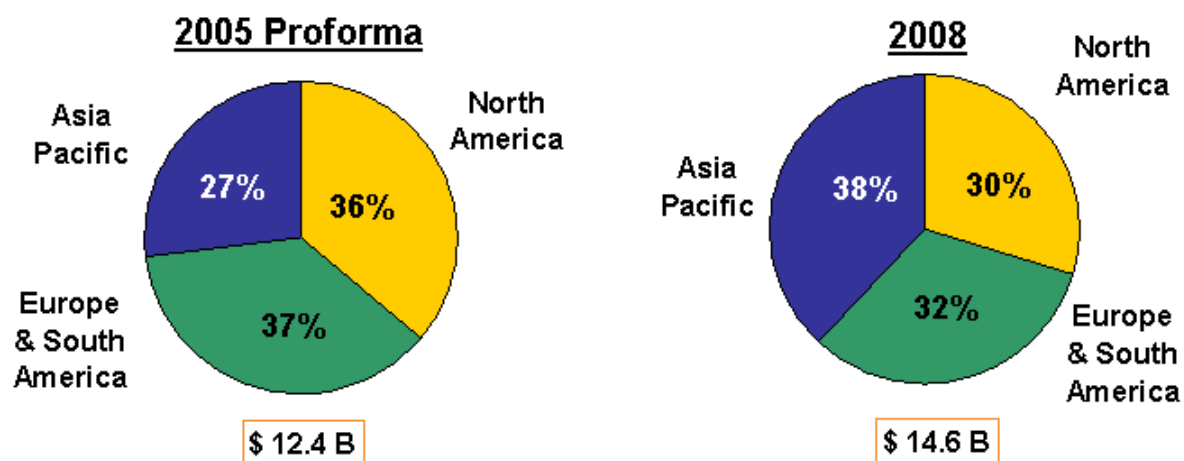


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Balanced Global Sales



Including Unconsolidated Product Sales



- ▶ Asia will become our largest region
- ▶ Strong China presence through Yanfeng JV

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.

- ▶ Restructure underperforming and non-strategic operations
- ▶ Improve performance of base operations
- ▶ Reduce overhead cost

Goal: Peer or better margins

- ▶ Implementing plans to address 23 underperforming and / or non-strategic facilities
 - Escrow arrangement will fund majority of cash costs
- ▶ Working to address many of these operations in 2006 and 2007
- ▶ We will discuss actions on a quarterly basis

Initial Actions Already Under Way



2005 Actions

- ▶ 1000+ voluntary employee buyouts
- ▶ Exited joint venture – Nichirin
- ▶ Initiated efforts to divest non-strategic operations

2006 Actions

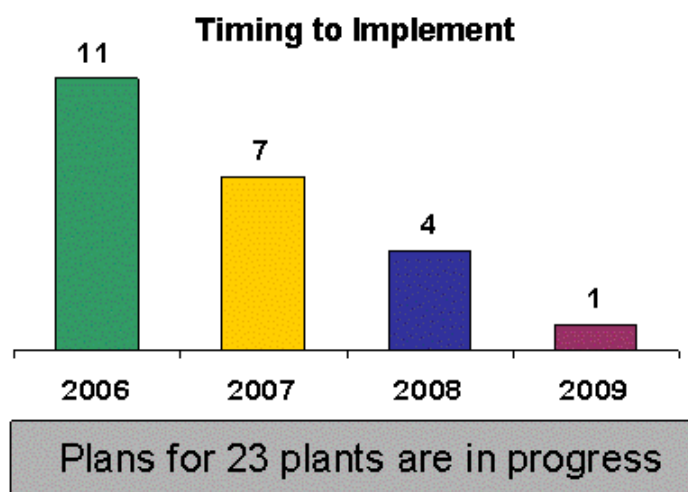
- ▶ Puerto Rico –close in 1st quarter
- ▶ Aeropuerto –close in 1st quarter
- ▶ Swansea – transfer 100 employees to Ford in 1st quarter
- ▶ Buffalo – close in 3rd quarter

*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Detailed Actions to be Implemented



- ▶ 5 plants have a priority focus to fix performance
- ▶ Efforts to sell 6 non-strategic operations are underway – will not announce any details until agreements are reached
- ▶ Working with stakeholders to implement plans for 12 underperforming plants



*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Improvements in Base Operations



- ▶ Improve plant operating performance
 - Institute plant level P&L focus
 - Implement more competitive labor and benefit agreements
 - Increase standardization and lean processing in manufacturing plants
 - Enhance process and variation control to reduce quality related cost issues
 - Transfer operations to more competitive locations
- ▶ Launch Global Purchasing Organization to drive part commonization, commodity leverage and sourcing strategies
- ▶ Grow profitable new business

Significant opportunity to achieve efficiencies

*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

- ▶ More competitive compensation and benefits
- ▶ Increased use of low-cost location personnel
- ▶ Focused advanced engineering projects
- ▶ Cost reductions in major purchased service contracts
- ▶ Lean business processes and reducing personnel level
- ▶ In-source certain functions to increase capability and reduce cost

Competitive levels of administration and engineering

- ▶ Roadmap of restructuring actions identified to drive margin and cash flow improvements
 - Year-over-year improvements in EBIT-R
 - Positive free cash flow in each year
- ▶ Short term revolver replaced with 18-month term loan
- ▶ Will address long term capital and tax structure in 2006

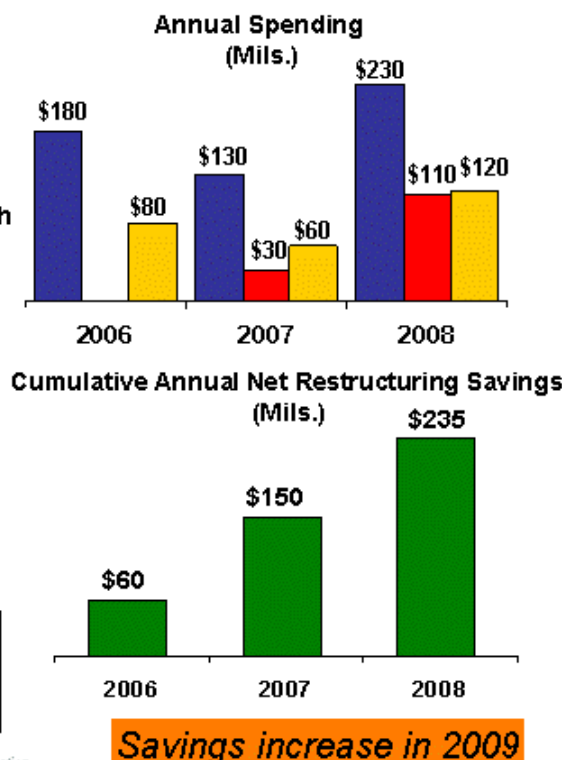
Restructuring actions will contribute to bottom line improvements beginning in 2006



Gross Cash Cost	\$550 million
Escrow Funding	\$400 million
Visteon Cash Cost	\$150 million
Non-Cash Charges	\$250 million

Annual Cost

- – Gross Cash
- – Visteon Cash
- – Non-Cash



Escrow funding will cover majority of cash restructuring cost

*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Free Cash Flow Focus



- ▶ Annual incentive will be based on free cash flow and EBIT-R targets
- ▶ Improvements to trade working capital
- ▶ Reduced capital spending through increased control and discipline

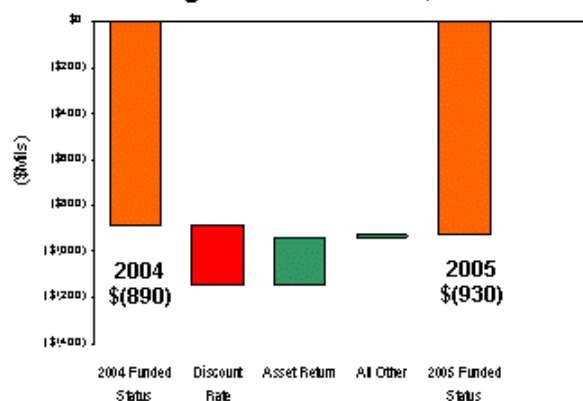
These improvements coupled with operating profit improvements will lead to sustained positive free cash flow

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.

Pension Funding & OPEB Obligation



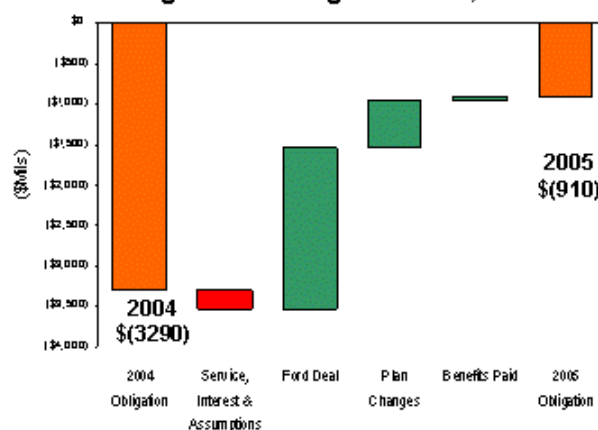
Pension – Change to Funded Status, 2004 – 2005 *



FUNDED STATUS 65%, UP 2 PTS.

- Actual return greater than return assumptions by 7+ pts.
- Change in discount rate increased liability by \$260 million

OPEB Obligation – Change in Status, 2004 – 2005 *



- Obligation substantially reduced
- Ford Deal and plan changes

*Estimates

Total obligation reduced by \$2.4 billion

2005 and 2006 Outlook



	Proforma 2005 E	2006 E
Product Sales	\$10.8B	UP 4%
% Ford	46%	Down 400 bps
% Ford N.A.	25%	Down 400 bps
EBIT-R*	\$(125)M	Up \$145 - \$175M
Free Cash Flow	About \$(200)M	Up \$250M

Solid year-over-year improvements;
expect trend to continue through 3 year horizon

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.

Potential Headwinds and Tailwinds



Headwinds

- ▶ Financial strains at suppliers and customers
- ▶ Continued raw material price inflation
- ▶ Cooling China demand with increased competition
- ▶ Timing and magnitude of internal restructuring

Tailwinds

- ▶ Sourcing opportunities resulting from distress in the supply base
- ▶ Purchasing and sourcing initiatives
- ▶ Possible asset sales
- ▶ Tax related items

*Please see slides titled "Forward Looking Information" in the appendix to this presentation for further information.

Why Visteon?



- ▶ Global business
- ▶ Diverse customer base, expansion with growing OEMs
- ▶ Strong product portfolio
- ▶ Leadership committed to driving operational improvements
- ▶ Clear restructuring plans
- ▶ Significant year-over-year EBIT-R improvements
- ▶ Improving free cash flow

Three year roadmap driving value and sustainable performance

*Please see slides titled "Use of Non-GAAP Financial Information" and "Forward Looking Information" in the appendix to this presentation for further information.



Appendix

Forward Looking Information



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 general economic conditions, including changes in interests rates and fuel prices; the automotive vehicle production volumes and schedules of our customers, and in particular Ford’s vehicle production volumes; our ability to satisfy our future capital and liquidity requirements and comply with the terms of our existing credit agreements and indentures; the financial distress of our suppliers; our ability to implement, and realize the anticipated benefits of, restructuring and other cost-reduction initiatives and our successful execution of internal performance plans and other 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 Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005). We assume no obligation to update these forward-looking statements.

Use of Non-GAAP Financial Information



- ▶ Throughout this presentation, the Company has provided information regarding certain non-GAAP financial measures. These measures include "free cash flow," "proforma sales" and "EBIT-R." Free cash flow represents cash flow from operating activities less capital expenditures. Proforma sales represents total revenue excluding services and other product sales and is presented as if certain transactions with Ford Motor Company and Automotive Components Holdings, Inc. were consummated as of January 1, 2005 (the "Ford Transactions"). Please see the Company's Current Reports on Form 8-K dated October 6, 2005 and November 22, 2005 for further information regarding the Ford Transactions. EBIT-R represents net income (loss) before net interest expense and debt extinguishment cost and the provision for income taxes, excluding impairment and net unreimbursed restructuring charges as well as the one-time gain on the Ford Transactions; for 2005, EBIT-R is also presented on a pro forma basis assuming the Ford Transactions had occurred as of January 1, 2005.
- ▶ Management believes that free cash flow is useful in analyzing the Company's ability to service and repay its debt and it uses the measure for planning and forecasting in future periods, as well as in management compensation decisions. Free cash flow is not a recognized term under accounting principles generally accepted in the United States ("GAAP") and does not reflect cash used to service debt and does not reflect funds available for investment or other discretionary uses.
- ▶ Management believes EBIT-R and proforma sales are useful to investors because they provide meaningful supplemental information regarding the Company's operating results because the excluded items that may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's continuing operating activities. Management uses these measures for planning and forecasting in future periods, as well as in management compensation decisions. EBIT-R is not a recognized term under GAAP and does not purport to be an alternative to net earnings (losses) 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 EBIT-R may not be comparable to other similarly titled measures of other companies. Additionally, EBIT-R is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The amounts shown for EBIT-R, as presented herein, differ from the amounts calculated under the definition of EBITDA used in our debt instruments. The definition of EBITDA used in our debt instruments is further adjusted for certain non-recurring charges and other items and is used to determine compliance with financial covenants.
- ▶ In order to provide the forward-looking non-GAAP financial measures for 2006, the Company is providing reconciliations to the most directly comparable GAAP financial measures on the following slides. The provision of these comparable GAAP financial measures is not intended to indicate that the Company is explicitly or implicitly providing projections on those GAAP financial measures, and actual results for such measures are likely to vary from those presented. The reconciliations include all information reasonably available to the Company at the date of this presentation and the adjustments that management can reasonably predict.

EBIT-R Reconciliation to Net Income/(Loss) (in millions)



	2005E	2006E
GAAP Net Income / (Loss)	\$56	\$(325) to \$(295)
Net interest expense and debt extinguishment costs	140	160
Provision for Taxes	70	105
Asset impairments*		
Assets held for sale	920	-
Assets held for use	255	80
Total	1,175	80
Gain on Ford Transactions	(1,800)	N/A
Proforma operating loss adjustment**	224	N/A
Net restructuring***	10	-
EBIT-R	\$(125)	\$20 to \$50

* Additional non-cash asset impairment charges, while likely, cannot be reasonably estimated at this time.

** Please see the Company's Current Reports on Form 8-K dated October 6, 2005 and November 22, 2005 for further information regarding the Ford Transactions.

*** Net restructuring includes \$60 million of gross costs less Ford escrow recovery of \$50 million for 2005, and \$180 million of gross costs less Ford escrow recovery of \$180 million for 2006.

2005 - 2006 Free Cash Flow

(in millions)



	Estimated Full Year	
	2005	2006
Cash from Operations	\$400M	\$500M
Capital Expenditures	\$600M	\$450M
Free Cash Flow	<u>\$(200)M</u>	<u>\$50M</u>

