UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008, or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-15827

VISTEON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State of incorporation)	**38-3519512** (I.R.S. employer Identification number)
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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ü No___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ü Accelerated Filer ___ Non-Accelerated Filer ___ Smaller Reporting Company ___
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes___ No ü

As of July 25, 2008, the Registrant had outstanding 130,562,025 shares of common stock, par value $1.00 per share.

Exhibit index located on page number 54.

VISTEON CORPORATION AND SUBSIDIARIES
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Visteon Corporation

We have reviewed the accompanying consolidated balance sheet of Visteon Corporation and its subsidiaries as of June 30, 2008 and the related consolidated statements of operations for each of the three-month and six-month periods ended June 30, 2008 and June 30, 2007 and the consolidated statements of cash flows for the six-month periods ended June 30, 2008 and June 30, 2007. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2007, and the related consolidated statements of operations, shareholders' deficit and of cash flows for the year then ended (not presented herein), and in our report dated February 22, 2008, except for Note 21, as to which the date is May 19, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2007, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan
July 30, 2008

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	(Dollars in Millions, Except Per Share Data)			
Net sales				
Products	$ 2,781	$ 2,833	$ 5,520	$ 5,591
Services	124	141	245	271
	2,905	2,974	5,765	5,862
Cost of sales				
Products	2,551	2,679	5,096	5,322
Services	123	140	243	268
	2,674	2,819	5,339	5,590
Gross margin	231	155	426	272
Selling, general and administrative expenses	156	145	304	314
Restructuring expenses	29	37	75	62
Reimbursement from Escrow Account	18	47	42	82
Asset impairments and loss on divestitures	11	11	51	51
Operating income (loss)	53	9	38	(73)
Interest expense	55	55	112	104
Interest income	13	14	28	23
Equity in net income of non-consolidated affiliates	15	14	30	23
Income (loss) from continuing operations before income taxes and minority interests	26	(18)	(16)	(131)
Provision for income taxes	49	28	100	45
Minority interests in consolidated subsidiaries	19	14	31	20
Net loss from continuing operations	(42)	(60)	(147)	(196)
Loss from discontinued operations, net of tax	—	7	—	24
Net loss	$ (42)	$ (67)	$ (147)	$ (220)
Basic and Diluted Loss Per Share:				
Continuing operations	$ (0.32)	$ (0.46)	$ (1.14)	$ (1.52)
Loss from discontinued operations, net of tax	—	(0.06)	—	(0.18)
Net loss	$ (0.32)	$ (0.52)	$ (1.14)	$ (1.70)

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30 2008	December 31 2007
	(Dollars in Millions)	
ASSETS		
Cash and equivalents	$ 1,506	$ 1,758
Accounts receivable, net	1,217	1,150
Interests in accounts receivable transferred	433	434
Inventories, net	466	495
Other current assets	313	235
Total current assets	3,935	4,072
Property and equipment, net	2,721	2,793
Equity in net assets of non-consolidated affiliates	252	218
Other non-current assets	108	122
Total assets	$ 7,016	$ 7,205
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Short-term debt, including current portion of long-term debt	$ 121	$ 95
Accounts payable	1,795	1,766
Accrued employee liabilities	293	316
Other current liabilities	409	351
Total current liabilities	2,618	2,528
Long-term debt	2,544	2,745
Postretirement benefits other than pensions	603	624
Employee benefits, including pensions	575	530
Deferred income taxes	158	147
Other non-current liabilities	430	428
Minority interests in consolidated subsidiaries	295	293
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, 131 million and 130 million shares outstanding, respectively)	131	131
Stock warrants	127	127
Additional paid-in capital	3,407	3,406
Accumulated deficit	(4,170)	(4,016)
Accumulated other comprehensive income	304	275
Other	(6)	(13)
Total shareholders' deficit	(207)	(90)
Total liabilities and shareholders' deficit	$ 7,016	$ 7,205

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30	
	2008	2007
	(Dollars in Millions)	
Operating activities		
Net loss	$ (147)	$ (220)
Adjustments to reconcile net loss to net cash provided from operating activities:		
Depreciation and amortization	225	237
Asset impairments and loss on divestitures	51	63
Gain on asset sales	(17)	(2)
Equity in net income of non-consolidated affiliates, net of dividends remitted	(26)	15
Other non-cash items	(26)	4
Changes in assets and liabilities:		
Accounts receivable and retained interests	(35)	(148)
Inventories	(17)	(22)
Accounts payable	43	50
Other assets and liabilities	(44)	38
Net cash provided from operating activities	7	15
Investing activities		
Capital expenditures	(154)	(144)
Proceeds from divestitures and asset sales	59	90
Other	4	(1)
Net cash used by investing activities	(91)	(55)
Financing activities		
Short-term debt, net	34	(7)
Proceeds from issuance of debt, net of issuance costs	185	497
Principal payments on debt	(32)	(15)
Repurchase of unsecured debt securities	(337)	—
Other, including book overdrafts	(32)	(31)
Net cash (used by) provided from financing activities	(182)	444
Effect of exchange rate changes on cash	14	12
Net (decrease) increase in cash and equivalents	(252)	416
Cash and equivalents at beginning of year	1,758	1,057
Cash and equivalents at end of period	$ 1,506	$ 1,473

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Description of Business and Company Background

Visteon Corporation (the "Company" or "Visteon") is a leading global supplier of climate, interiors, electronics and other automotive systems, modules and components to global automotive original equipment manufacturers ("OEMs"). Headquartered in Van Buren Township, Michigan, Visteon has a workforce of approximately 38,500 employees and a network of manufacturing operations, technical centers, sales offices and joint ventures in every major geographic region of the world.

The Company was incorporated in Delaware in January 2000 as a wholly-owned subsidiary of Ford Motor Company ("Ford" or "Ford Motor Company"). Subsequently, Ford transferred the assets and liabilities comprising its automotive components and systems business to Visteon. The Company separated from Ford on June 28, 2000 when all of the Company's common stock was distributed by Ford to its shareholders. On October 1, 2005, the Company sold Automotive Components Holdings, LLC, an indirect, wholly-owned subsidiary of the Company to Ford ("ACH Transactions").

The Company continues to transact a significant amount of commercial activity with Ford. The financial statement impact of these commercial activities is summarized in the table below as adjusted for discontinued operations.

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Net Sales				
Products	$ 1,010	$ 1,116	$ 1,988	$ 2,278
Services	$ 120	$ 138	$ 235	$ 268

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Accounts receivable, net	$ 314	$ 277
Postretirement employee benefits	$ 119	$ 121

Additionally, as of June 30, 2008 and December 31, 2007, the Company transferred approximately $169 million and $154 million, respectively, of Ford receivables under a European receivables securitization program.

NOTE 2. Basis of Presentation

The unaudited consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations.

These interim consolidated financial statements include all adjustments (consisting of normal recurring adjustments) that management believes are necessary for a fair presentation of the results of operations, financial position and cash flows of the Company for the interim periods presented. The Company's management believes that the disclosures are adequate to make the information presented not misleading when read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and Current Report on Form 8-K dated May 19, 2008, as filed with the SEC. Interim results are not necessarily indicative of full year results.

NOTE 2. Basis of Presentation — (Continued)

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and all subsidiaries that are more than 50% owned and over which the Company exercises control. Investments in affiliates of 50% or less but greater than 20% are accounted for using the equity method. The consolidated financial statements also include the accounts of certain entities in which the Company holds a controlling interest based on exposure to economic risks and potential rewards (variable interests) for which it is the primary beneficiary.

Revenue Recognition: The Company records revenue when persuasive evidence of an arrangement exists, delivery occurs or services are rendered, the sales price or fee is fixed or determinable and collectibility is reasonably assured. The Company delivers product and records revenue pursuant to commercial agreements with its customers generally in the form of an approved purchase order, including the effects of contractual customer price productivity. The Company does negotiate discrete price changes with its customers, which are generally the result of unique commercial issues between the Company and its customers and are generally the subject of specific negotiations between the Company and its customers. The Company records amounts associated with discrete price changes as a reduction to revenue when specific facts and circumstances indicate that a price reduction is probable and the amounts are reasonably estimable. The Company records amounts associated with discrete price changes as an increase to revenue upon execution of a legally enforceable contractual agreement and when collectibility is reasonably assured.

Services revenues are recognized as services are rendered and associated costs of providing such services are recorded as incurred.

Reclassifications: Certain prior period amounts have been reclassified to conform to current period presentation.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect amounts reported herein. Management believes that such estimates, judgments and assumptions are reasonable and appropriate. However, due to the inherent uncertainty involved, actual results may differ from those provided in the Company's consolidated financial statements.

Fair Value Measurements: The Company uses fair value measurements in the preparation of its financial statements, which utilize various inputs including those that can be readily observable, corroborated or are generally unobservable. The Company utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

Recent Accounting Pronouncements: In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." This statement requires disclosure of (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations, and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 and becomes effective for the Company on a prospective basis on January 1, 2009.

NOTE 2. Basis of Presentation — (Continued)

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), “Business Combinations” and Statement of Financial Accounting Standards No. 160, “Non-controlling Interests in Consolidated Financial Statements, an amendment to ARB No. 51.” These statements change the accounting and reporting for business combination transactions and minority interests in consolidated financial statements. These statements are required to be adopted simultaneously and are effective for the first annual reporting period beginning on or after December 15, 2008. The Company is currently evaluating the impact of these statements on its consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115.” This statement permits measurement of financial instruments and certain other items at fair value. The Company adopted this statement effective January 1, 2008 and has not elected the permitted fair value measurement provisions of this statement.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 (“SFAS 157”), “Fair Value Measurements.” This statement, which became effective January 1, 2008, defines fair value, establishes a framework for measuring fair value and expands disclosure requirements regarding fair value measurements. The Company adopted the requirements of SFAS 157 as of January 1, 2008 without a material impact on its consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (“FSP”) No. FAS 157-2 (“FSP FAS 157-2”), “*Effective Date of FASB Statement No. 157*,” which delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. The Company has not applied the provisions of SFAS 157 to its nonfinancial assets and nonfinancial liabilities in accordance with FSP FAS 157-2. The Company is currently evaluating the impact of this FSP on its consolidated financial statements.

NOTE 3. Divestitures

2008 Divestitures

On June 30, 2008, Visteon UK Limited, an indirect, wholly-owned subsidiary of the Company, transferred certain assets related to its chassis manufacturing operation located in Swansea, United Kingdom to Visteon Swansea Limited, a company incorporated in England and a wholly-owned subsidiary of Visteon UK Limited. Effective July 7, 2008, Visteon UK Limited sold the entire share capital of Visteon Swansea Limited to Linamar UK Holdings Inc., a wholly-owned subsidiary of Linamar Corporation for nominal cash consideration (together, the “Swansea Divestiture”). The Swansea operation, which manufactured driveline products, generated negative gross margin of approximately $40 million on sales of approximately $80 million during 2007. While the Swansea Divestiture resulted in the complete exit of driveline product manufacturing, the Company continues to generate significant continuing cash flows related to ongoing services and contractual arrangements pursuant to the ACH Transactions.

Visteon expects to record losses of approximately $47 million in connection with this transaction, of which approximately $13 million will be reimbursed from the escrow account established pursuant to the Escrow Agreement, dated as of October 1, 2005, among the Company, Ford and Deutsche Bank Trust Company Americas. Losses on the Swansea Divestiture include $18 million of employee severance and termination benefits, $7 million of pension curtailment losses and $7 million of asset impairment charges, which have been recorded in the second quarter of 2008 along with $13 million of escrow reimbursement. The remaining expected loss on the Swansea Divestiture relates to working capital adjustments and will be recorded in the third quarter in connection with the July 7, 2008 transaction closing date.

NOTE 3. Divestitures — (Continued)

During the first quarter of 2008, the Company sold its North American-based aftermarket underhood and remanufacturing operations including facilities located in Sparta, Tennessee and Reynosa, Mexico (the "NA Aftermarket"). The NA Aftermarket manufactured starters and alternators, radiators, compressors and condensers and also remanufactures steering pumps and gears. These operations recorded sales for the year ended December 31, 2007 of approximately $133 million and generated negative gross margin of approximately $16 million. During the first quarter of 2008, the Company recorded a loss of $40 million on the disposition of the NA Aftermarket.

2007 Divestitures

In March 2007, the Company entered into a Master Asset and Share Purchase Agreement ("MASPA") to sell certain assets and liabilities associated with the Company's chassis operations (the "Chassis Divestiture"). The Company's chassis operations were primarily comprised of suspension, driveline and steering product lines and included facilities located in Dueren and Wuelfrath, Germany, Praszka, Poland and Sao Paulo, Brazil. Collectively, these operations recorded sales for the year ended December 31, 2006 of approximately $600 million. The Chassis Divestiture, while representing a significant portion of the Company's chassis operations, did not result in the complete exit of any of the affected product lines.

Effective May 31, 2007, the Company ceased to produce brake components at its Swansea, UK facility, which resulted in the complete exit of the Company's global suspension product line. Accordingly, the results of operations of the Company's global suspension product line have been reclassified to "Loss from discontinued operations, net of tax" in the consolidated statements of operations for the three-month and six-month periods ended June 30, 2007.

A summary of the results of discontinued operations is provided in the table below.

	Three Months Ended June 30, 2007	Six Months Ended June 30, 2007
	(Dollars in Millions)	
Net product sales	$11	$ 50
Cost of sales	18	63
Gross margin	(7)	(13)
Selling, general and administrative expenses	—	1
Asset impairments	2	12
Restructuring expenses	4	10
Reimbursement from Escrow Account	6	12
Loss from discontinued operations, net of tax	$ 7	$ 24

NOTE 4. Restructuring Activities

The Company has undertaken various restructuring activities to achieve its strategic and financial objectives. Restructuring activities include, but are not limited to, plant closures, production relocation, administrative cost structure realignment and consolidation of available capacity and resources. The Company expects to finance restructuring programs through cash reimbursement from an escrow account established pursuant to the ACH Transactions, from cash on hand, from cash generated from its ongoing operations, or through cash available under its existing debt agreements, subject to the terms of applicable covenants.

NOTE 4. Restructuring Activities — (Continued)

2008 Restructuring Actions

During the second quarter of 2008, the Company recorded restructuring expenses of $29 million under the previously announced multi-year improvement plan, including the following significant actions:

- $18 million of employee severance and termination benefit costs associated with 55 employees at the Company's Other products facility located in Swansea, UK. In connection with the Swansea Divestiture, Visteon UK Limited agreed to reduce the number of employees to be transferred, which resulted in $5 million of employee severance benefits and $13 million of special termination benefits. Additionally, the Company entered into customer agreements to mitigate the operating losses at certain UK manufacturing facilities.
- $5 million of employee severance and termination benefit costs associated with approximately 40 employees to reduce the Company's salaried workforce in higher cost countries.
- $2 million of equipment relocation costs associated with the completed closure of a North American Climate facility.

The Company currently estimates that the total cost associated with the multi-year improvement plan will be approximately $555 million. However, the Company continues to achieve targeted cost reductions associated with the multi-year improvement plan at a lower cost than expected due to higher levels of employee attrition and lower per employee severance cost resulting from changes to certain employee benefit plans. The Company anticipates that approximately $420 million of costs incurred under the multi-year improvement plan will be reimbursed from the escrow account pursuant to the terms of the Escrow Agreement. While the Company anticipates substantial utilization of funds available under the Escrow Agreement from the multi-year improvement plan and other restructuring actions, any amounts remaining in the escrow account after December 31, 2012 will be disbursed to the Company pursuant to the terms of the Escrow Agreement. It is possible that actual cash restructuring costs could vary significantly from the Company's current estimates resulting in unexpected costs in future periods. Generally, charges are recorded as elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change.

The Company has incurred $350 million in cumulative restructuring costs related to the multi-year improvement plan including $138 million, $118 million, $63 million and $31 million for the Other, Interiors, Climate and Electronics product groups, respectively. Substantially all restructuring expenses recorded to date relate to employee severance and termination benefit costs and are classified as "Restructuring expenses" on the consolidated statements of operations. As of June 30, 2008, the restructuring reserve balance of $96 million is entirely attributable to the multi-year improvement plan.

NOTE 4. Restructuring Activities — (Continued)

Restructuring Reserves

The following is a summary of the Company's consolidated restructuring reserves and related activity as of and for the six-months ended June 30, 2008.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
December 31, 2007	$ 58	$ 23	$ 7	$ 24	$ 112
Expenses	25	1	1	19	46
Currency exchange	4	—	—	—	4
Utilization	(18)	(20)	—	(15)	(53)
March 31, 2008	69	4	8	28	109
Expenses	3	4	—	22	29
Utilization	(11)	(6)	(1)	(24)	(42)
June 30, 2008	$ 61	$ 2	$ 7	$ 26	$ 96

Utilization for the three months ended June 30, 2008 includes $25 million of payments for severance and other employee termination benefits, $14 million of special termination benefits reclassified to pension and other postretirement employee benefits, where such payments are made from the Company's benefit plans and $3 million of payments for contract termination, equipment relocation and other costs.

Escrow Agreement

Pursuant to the Escrow Agreement, dated as of October 1, 2005, among the Company, Ford and Deutsche Bank Trust Company Americas, Ford paid $400 million into an escrow account for use by the Company to restructure its businesses. The Escrow Agreement provides that the Company will be reimbursed from the escrow account for the first $250 million of reimbursable restructuring costs, as defined in the Escrow Agreement, and up to one half of the next $300 million of such costs. Cash in the escrow account is invested, at the direction of the Company, in high quality, short-term investments and related investment earnings are credited to the account as earned. Investment earnings of $28 million became available to reimburse the Company's restructuring costs following the use of the first $250 million of available funds. Investment earnings on the remaining $150 million will be available for reimbursement after full utilization of those funds.

The following table provides a reconciliation of amounts available in the escrow account.

	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Inception through June 30, 2008
		(Dollars in Millions)	
Beginning escrow account available	$ 123	$ 144	$ 400
Add: Investment earnings	—	1	33
Deduct: Disbursements for restructuring costs	(26)	(48)	(336)
Ending escrow account available	$ 97	$ 97	$ 97

Approximately $16 million and $22 million of amounts receivable from the escrow account were classified in "Other current assets" in the Company's consolidated balance sheets as of June 30, 2008 and December 31, 2007, respectively.

NOTE 5. Asset Impairments and Loss on Divestitures

Statement of Financial Accounting Standards No. 144 (“SFAS 144”), “Accounting for the Impairment or Disposal of Long-Lived Assets” requires that long-lived assets and intangible assets subject to amortization be reviewed for impairment when certain indicators of impairment are present. Impairment exists if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. Generally, when impairment exists the long-lived assets are adjusted to their respective fair values.

2008 Asset Impairments and Loss on Divestiture

During the three and six-month periods ended June 30, 2008 the Company recorded asset impairments and loss on divestitures of $11 million and $51 million, respectively. These amounts were related to the following:

- During the three months ended June 30, 2008, the Company determined that long-lived assets subject to the Swansea Divestiture met the “held for sale” criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in an asset impairment charge of approximately $7 million. The Company expects to record additional losses of approximately $15 million on the Swansea Divestiture related to working capital adjustments in connection with the July 7, 2008 transaction closing date.
- During the three months ended June 30, 2008, the Company also recorded an asset impairment charge of approximately $4 million for certain Other product group assets that met the “held for sale” criteria of SFAS 144.
- During the first quarter of 2008, the Company determined that long-lived assets subject to the NA Aftermarket Divestiture met the “held for sale” criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in an asset impairment charge of approximately $21 million. The Company also recorded a $19 million loss on the disposition of the NA Aftermarket during the first quarter of 2008.

2007 Asset Impairments

During the three and six-month periods ended June 30, 2007 the Company recorded asset impairments of $11 million and $51 million, respectively. These amounts were related to the following:

- During 2007 the Company determined that assets subject to the Chassis Divestiture met the “held for sale” criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $8 million and $25 million for the three and six-month periods ended June 30, 2007, respectively.
- During the three months ended June 30, 2007, the Company recorded an asset impairment of $3 million to reduce the net book value of certain long-lived assets to their estimated fair value, in connection with restructuring activities undertaken at a North American Other facility.
- In consideration of the MASPA and the Company’s announced exit of the brake manufacturing business at its Swansea, UK facility, an asset impairment charge of $16 million was recorded to reduce the net book value of certain long-lived assets at the facility to their estimated fair value in the first quarter of 2007. The Company’s estimate of fair value was based on market prices, prices of similar assets, and other available information.
- Additionally during the first quarter of 2007 the Company entered into an agreement to sell an Electronics building located in Japan. The Company determined that the building met the “held for sale” criteria of

NOTE 5. Asset Impairments and Loss on Divestitures — (Continued)

SFAS 144 and was recorded at the lower of carrying value or fair value less cost to sell, which resulted in an asset impairment charge of approximately $7 million.

NOTE 6. Asset Securitization

Effective August 14, 2006, the Company entered into a European accounts receivable securitization facility ("European Securitization") that extends until August 2011 and provides up to $325 million in funding from the sale of trade receivables originating from Company subsidiaries located in Germany, Portugal, Spain, France and the UK (the "Sellers"). Under the European Securitization, trade receivables originated by the Sellers and certain of their subsidiaries are transferred to Visteon Financial Centre P.L.C. (the "Transferor"). The Transferor is a bankruptcy-remote qualifying special purpose entity. Trade receivables transferred from the Sellers are funded through cash obtained from the issuance of variable loan notes to third-party lenders and through subordinated loans obtained from a wholly-owned subsidiary of the Company, which represent the Company's retained interest in the trade receivables transferred.

Transfers under the European Securitization, for which the Company receives consideration other than a beneficial interest, are accounted for as "true sales" under the provisions of Statement of Financial Accounting Standards No. 140 ("SFAS 140"), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" and are removed from the balance sheet. Transfers under the European Securitization, for which the Company receives a beneficial interest are not removed from the balance sheet and total $433 million and $434 million as of June 30, 2008 and December 31, 2007, respectively. Such amounts are recorded at fair value and are subordinated to the interests of third-party lenders. Securities representing the Company's retained interests are accounted for as trading securities under Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

Availability of funding under the European Securitization depends primarily upon the amount of trade receivables reduced by outstanding borrowings under the program and other characteristics of those trade receivables that affect their eligibility (such as bankruptcy or the grade of the obligor, delinquency and excessive concentration). As of June 30, 2008, approximately $223 million of the Company's transferred trade receivables were considered eligible for borrowing under this facility, $105 million was outstanding and $118 million was available for funding. The Company recorded losses of $4 million for each of the six-month periods ended June 30, 2008 and 2007 related to trade receivables sold under the European Securitization. The table below provides a reconciliation of changes in interests in account receivables transferred for the period.

	Six Months Ended June 30	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 434	$ 482
Receivables transferred	1,552	1,866
Proceeds from new securitizations	—	(41)
Proceeds from collections reinvested in securitization	(282)	(257)
Cash flows received on interest retained	(1,301)	(1,522)
Currency exchange	30	23
Ending balance	$ 433	$ 551

NOTE 7. Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market. A summary of inventories is provided below:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Raw materials	$ 170	$ 159
Work-in-process	224	224
Finished products	117	160
	511	543
Valuation reserves	(45)	(48)
	$ 466	$ 495

NOTE 8. Other Assets

Other current assets are summarized as follows:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Recoverable taxes	$ 126	$ 88
Current deferred tax assets	47	47
Prepaid assets	38	28
Deposits	28	30
Forward contracts	18	—
Escrow receivable	16	22
Other	40	20
	$ 313	$ 235

Other non-current assets are summarized as follows:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Non-current deferred tax assets	39	39
Unamortized debt costs and other intangible assets	31	33
Notes and other receivables	8	11
Other	30	39
	$ 108	$ 122

NOTE 9. Non-Consolidated Affiliates

The Company had $252 million and $218 million of equity in the net assets of non-consolidated affiliates at June 30, 2008 and December 31, 2007, respectively. The Company recorded equity in net income of non-consolidated affiliates of $15 million and $14 million for the three-months ended June 30, 2008 and 2007, respectively. For the six-month periods ended June 30, 2008 and 2007, the Company recorded $30 million and $23 million, respectively.

NOTE 9. Non-Consolidated Affiliates — (Continued)

The following table presents summarized financial data for the Company's non-consolidated affiliates. The amounts included in the table below represent 100% of the results of operations of the Company's non-consolidated affiliates accounted for under the equity method. Yanfeng Visteon Automotive Trim Systems Co., Ltd ("Yanfeng"), of which the Company owns a 50% interest, is considered a significant non-consolidated affiliate and is shown separately below.

Summarized financial data for the three-month periods ended June 30 are as follows:

	Net Sales		Gross Margin		Net Income	
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)					
Yanfeng Visteon Automotive Trim Systems Co., Ltd.	$ 281	$ 243	$ 52	$ 46	$ 24	$ 21
All other	210	179	40	30	6	7
	$ 491	$ 422	$ 92	$ 76	$ 30	$ 28

Summarized financial data for the six-month periods ended June 30 are as follows:

	Net Sales		Gross Margin		Net Income	
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)					
Yanfeng Visteon Automotive Trim Systems Co., Ltd.	$ 550	$ 428	$ 101	$ 76	$ 44	$ 34
All other	420	348	64	53	16	12
	$ 970	$ 776	$ 165	$ 129	$ 60	$ 46

The Company's share of net assets and net income is reported in the consolidated financial statements as "Equity in net assets of non-consolidated affiliates" on the consolidated balance sheets and "Equity in net income of non-consolidated affiliates" on the consolidated statements of operations. Included in the Company's accumulated deficit is undistributed income of non-consolidated affiliates accounted for under the equity method of approximately $126 million and $99 million at June 30, 2008 and December 31, 2007, respectively.

NOTE 10. Property and Equipment

Property and equipment is stated at cost and is depreciated over the estimated useful lives of the assets, principally using the straight-line method. A summary of Property and equipment, net is provided below:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Land	$ 89	$ 95
Buildings and improvements	1,083	1,083
Machinery, equipment and other	3,920	3,894
Construction in progress	138	146
Total property and equipment	5,230	5,218
Accumulated depreciation	(2,637)	(2,573)
	2,593	2,645
Product tooling, net of amortization	128	148
Property and equipment, net	$ 2,721	$ 2,793

NOTE 10. Property and Equipment — (Continued)

Depreciation and amortization expenses are summarized as follows:

	Three-Months Ended June 30		Six-Months Ended June 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Depreciation	$ 101	$ 104	$ 206	$ 212
Amortization	9	12	19	25
	$ 110	$ 116	$ 225	$ 237

The Company recorded approximately $13 million and $28 million of accelerated depreciation expense for the three and six months ended June 30, 2008, respectively, representing the shortening of estimated useful lives of certain assets (primarily machinery and equipment) in connection with the Company's restructuring activities.

NOTE 11. Other Liabilities

Other current liabilities are summarized as follows:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Restructuring accrual	$ 96	$ 87
Product warranty and recall accrual	60	54
Accrued interest payable	45	62
Income taxes payable	45	13
Non-income taxes payable	46	34
Other accrued liabilities	117	101
	$409	$351

Other non-current liabilities are summarized as follows:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Income tax accrual	$181	$154
Non-income tax payable	80	80
Deferred income	64	63
Product warranty and recall accrual	60	54
Restructuring accrual	—	25
Other accrued liabilities	45	52
	$430	$428

NOTE 12. Debt

Short-term and long-term debt including the fair value of related interest rate swaps are as follows:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Short-term debt		
Current portion of long-term debt	$ 37	$ 44
Other — short-term	84	51
Total short-term debt	121	95
Long-term debt		
8.25% notes due August 1, 2010	207	553
Term loan due June 13, 2013	1,000	1,000
Term loan due December 13, 2013	500	500
7.00% notes due March 10, 2014	450	449
12.25% notes due December 31, 2016	197	—
Other	190	243
Total long-term debt	2,544	2,745
Total debt	$2,665	$2,840

Fair value of total debt was $2,075 million and $2,542 as of June 30, 2008 and December 31, 2007, respectively.

2008 Issuance of New Notes and Tender Offer for Notes due 2010

On June 18, 2008, the Company completed the sale of $206.4 million aggregate principal amount of its 12.25% senior notes due 2016 (the “New Notes”) in a private placement exempt from the registration requirements of the Securities Act of 1933. On June 18, 2008, the Company repurchased $344 million in aggregate principal amount of its 8.25% senior notes due August 2010 pursuant to a partial tender offer commenced on May 19, 2008 (collectively the “Bond Transactions”). The Company used the net proceeds from the sale of the New Notes, plus additional cash on hand, to pay the aggregate consideration of approximately $337 million, excluding costs and expenses, for such repurchase. The New Notes rank equally with the Company’s existing and future unsecured term debt, senior to any future subordinated debt, and are guaranteed by certain of its U.S. subsidiaries. The New Notes have not been and will not be registered under the Securities Act or any state securities laws.

The New Notes were issued pursuant to a supplemental indenture which contains covenants that limit, among other things, the ability of the Company and its restricted subsidiaries to incur additional indebtedness, make certain distributions, investments and other restricted payments, dispose of assets, grant liens on assets, issue guarantees, designate unrestricted subsidiaries, engage in transactions with affiliates, enter into agreements restricting the ability of subsidiaries to pay dividends, engage in sale and leaseback transactions, and merge or consolidate or transfer substantially all of its assets, subject to certain exceptions and qualifications. Each of the Company’s existing and future wholly-owned domestic restricted subsidiaries that guarantee debt under the Company’s revolving credit facility guarantee the New Notes.

NOTE 12. Debt — (Continued)

Holders of the New Notes have the right to require the Company to redeem their New Notes in whole or in part on December 31, 2013 at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest (the “Put Option”). The Company may redeem the New Notes prior to December 31, 2013 in whole at any time or in part from time to time, at its option, at a redemption price equal to the greater of (1) 100% of the principal amount to be redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the New Notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable Treasury Rate plus 50 basis points plus accrued and unpaid interest, including, if applicable, liquidated damages, on the principal amount being redeemed to the redemption date. Thereafter, the Company may redeem the New Notes in whole at any time or in part from time to time, at its option, at specified redemption prices plus accrued and unpaid interest. In addition, upon the occurrence of certain change of control events, holders of the New Notes have the right to require the Company to purchase some or all of the New Notes at 101% of the principal amount thereof, plus accrued and unpaid interest.

Interest on the New Notes is fixed at an annual rate of 12.25% and is payable semi-annually in arrears on June 30 and December 31, beginning December 31, 2008. The Company is required to pay additional interest on the New Notes if, at any time during the period beginning six months and ending one year after the June 18, 2008, adequate current public information with respect to the Company is unavailable.

The Bond Transactions were accounted for as a modification of existing indebtedness under FASB Emerging Issues Task Force No. 96-19, “Debtor’s Accounting for a Modification or Exchange of Debt Instruments.” Accordingly, an aggregate discount of $10 million related to the net amount of the discount on the New Notes, which were issued at a price of $916.21 per $1,000 in aggregate principle amount, fees paid to creditors and the gain on retirement of $344 million of Old Notes has been deferred and will be amortized over the life of the New Notes up to the date of the Put Option. Additionally, during the three months ended June 30, 2008 the Company recorded $5 million of expenses related to third party fees and recognized $3 million of unamortized gains related to previously terminated interest rate swaps in connection with the Bond Transactions.

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NOTE 13. Employee Retirement Benefits

The components of the Company's net periodic benefit costs for the three-month periods ended June 30, 2008 and 2007 were as follows:

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)					
Service cost	$ 6	$ 6	$ 6	$ 6	$ 1	$ 1
Interest cost	18	18	17	17	8	8
Expected return on plan assets	(20)	(19)	(16)	(13)	—	—
Amortization of:						
Plan amendments	(1)	—	2	2	(9)	(12)
Actuarial losses and other	—	1	1	3	3	4
Special termination benefits	1	—	—	—	—	—
Settlements	—	—	—	13	—	—
Curtailments	—	—	6	—	(26)	(3)
Visteon sponsored plan net periodic benefit costs	4	6	16	28	(23)	(2)
Expense for certain salaried employees whose pensions are partially covered by Ford	—	—	—	—	(2)	(1)
Net periodic benefits costs, excluding restructuring	$ 4	$ 6	$ 16	$ 28	$ (25)	$ (3)
Special termination benefits	$ —	$ 1	$ 14	$ 8	$ —	$ —
Total employee retirement benefit related restructuring costs	$ —	$ 1	$ 14	$ 8	$ —	$ —

NOTE 13. Employee Retirement Benefits — (Continued)

The components of the Company's net periodic benefit costs for the six-month periods ended June 30, 2008 and 2007 were as follows:

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)					
Service cost	$ 11	$ 13	$ 11	$ 14	$ 2	$ 3
Interest cost	36	36	35	36	16	16
Expected return on plan assets	(41)	(38)	(30)	(27)	—	—
Amortization of:						
Plan amendments	(1)	1	3	3	(17)	(23)
Actuarial losses and other	—	1	2	6	6	8
Special termination benefits	1	—	—	—	—	—
Settlements	—	—	—	30	—	—
Curtailments	1	10	5	—	(30)	(9)
Visteon sponsored plan net periodic benefit costs	7	23	26	62	(23)	(5)
Expense for certain salaried employees whose pensions are partially covered by Ford	(2)	—	—	—	(3)	(2)
Net periodic benefits costs, excluding restructuring	$ 5	$ 23	$ 26	$ 62	$ (26)	$ (7)
Special termination benefits	$ 1	$ 3	$ 17	$ 8	$ —	$ —
Total employee retirement benefit related restructuring costs	$ 1	$ 3	$ 17	$ 8	$ —	$ —

Curtailments and Settlements

Curtailment and settlement gains and losses are recorded in accordance with Statement of Financial Accounting Standards Nos. 88 ("SFAS 88"), "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other Than Pensions" and are classified in the Company's consolidated statements of operations as "Cost of sales" or "Selling, general and administrative expenses." Qualifying curtailment and settlement losses related to the Company's restructuring activities are reimbursable under the terms of the Escrow Agreement. The following curtailments and settlements were recorded during the three and six month periods ended June 30, 2008 and 2007:

- The Company recorded curtailment gains of $26 million and $30 million for the three and six months ended June 30, 2008 related to elimination of employee benefits associated with a U.S. other postretirement benefit ("OPEB") plan in connection with employee headcount reductions under previously announced restructuring actions.
- During the three months ended June 30, 2008 the Company recorded pension curtailment losses of $7 million related to the reduction of future service in the UK pension plan for employees at the Company's Swansea, UK operation in connection with the Swansea Divestiture. Additionally, in accordance with Statement of Financial Accounting Standards No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit and Other Postretirement Benefits, and amendment of FASB Statements No. 87, 88, 106, and 132(R)," the Company remeasured the assets and obligations of its UK pension

NOTE 13. Employee Retirement Benefits — (Continued)

plan, which resulted in an increase of $57 million in the Company's net pension liability and a corresponding decrease in Accumulated Other Comprehensive Income.

- The Company recorded curtailment gains of $3 million and $9 million for the three and six months ended June 30, 2007 related to elimination of employee benefits associated with a U.S. OPEB plan in connection with employee headcount reductions under previously announced restructuring actions.
- The Company recorded a settlement loss of $13 million during the three months ended June 30, 2007 related to employee retirement benefit obligations under certain German retirement plans for employees of the Dueren and Wuelfrath, Germany facilities, which were included in the Chassis Divestiture.
- The Company recorded a settlement loss of $17 million during the three months ended March 31, 2007 related to employee retirement benefit obligations under a Canadian retirement plan for employees of the Markham, Ontario facility, which was closed in 2002.
- The Company recorded a curtailment loss of $10 million for the three months ended March 31, 2007 for retirement benefit obligations under U.S. retirement plans per previously announced restructuring actions.

Retirement Benefit Related Restructuring Expenses

In addition to retirement benefit expenses, the Company recorded $14 million and $18 million for the three and six months ended June 30, 2008, respectively, for retirement benefit related restructuring charges. Such charges generally relate to special termination benefits, voluntary termination incentives, and pension losses and are the result of various restructuring actions as described in Note 4 "Restructuring Activities." Retirement benefit related restructuring charges are initially classified as restructuring expenses and related accruals are subsequently reclassified to retirement benefit liabilities.

Contributions

During the six-month period ended June 30, 2008, contributions to the Company's U.S. retirement plans and postretirement health care and life insurance plans were $11 million and $14 million, respectively, and contributions to non-U.S. retirement plans were $25 million. The Company presently anticipates additional contributions to its U.S. retirement plans and postretirement health care and life insurance plans of $9 million and $19 million, respectively, in 2008. The Company also anticipates additional 2008 contributions to non-U.S. retirement plans of $60 million.

Other

In accordance with the adoption of SFAS 158, the Company re-measured plan assets and obligations as of January 1, 2007. As a result, the Company recorded a reduction to the pension liability of approximately $120 million, a reduction of the OPEB liability of approximately $90 million and an increase to accumulated other comprehensive income of approximately $210 million. The Company also adjusted the January 1, 2007 retained earnings balance by approximately $34 million, representing the net periodic benefit costs for the period between September 30, 2006 and January 1, 2007 that would have been recognized on a delayed basis during the first quarter of 2007 absent the change in measurement date.

NOTE 14. Income Taxes

Provision for Income Taxes

The Company's provision for income taxes in interim periods is computed by applying an estimated annual effective tax rate against loss from continuing operations before income taxes and minority interests, excluding equity in net income of non-consolidated affiliates for the period. Effective tax rates vary from period to period as separate calculations are performed for those countries where the Company's operations are profitable and whose results continue to be tax-effected and for those countries where full deferred tax asset valuation allowances exist and are maintained. The Company's provision for income tax of $49 million and $100 for the three-month and six-month periods ended June 30, 2008 reflects income tax expense related to those countries where the Company is profitable, accrued withholding taxes, ongoing assessments related to the recognition and measurement of uncertain tax benefits and certain non-recurring tax items and the inability to record a tax benefit for pre-tax losses in the U.S. and certain other jurisdictions to the extent not offset by other categories of income.

The need to maintain valuation allowances against deferred tax assets in the U.S. and other affected countries will continue to cause variability in the Company's quarterly and annual effective tax rates. Full valuation allowances against deferred tax assets in the U.S. and applicable foreign countries, which include the UK and Germany, will be maintained until sufficient positive evidence exists to reduce or eliminate them.

Unrecognized Tax Benefits

The Company and its subsidiaries have operations in every major geographic region of the world and are subject to income taxes in the U.S. and numerous foreign jurisdictions. Accordingly, the Company files tax returns and is subject to examination by taxing authorities throughout the world, including such significant jurisdictions as Korea, India, Portugal, Spain, Czech Republic, Hungary, Mexico, Canada, Germany and the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examinations for years before 2004 or state and local, or non-U.S. income tax examinations for years before 2000.

The Company's gross unrecognized tax benefits at June 30, 2008 were approximately $268 million, and the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate were approximately $140 million. The gross unrecognized tax benefits differ from that which would impact the effective tax rate due to uncertain tax positions embedded in other deferred tax attributes carrying a full valuation allowance. Since the uncertainty is expected to be resolved while a full valuation allowance is maintained, these uncertain tax positions will not impact the effective tax rate in current or future periods. During the second quarter of 2008, the Company increased its gross unrecognized tax benefits by approximately $14 million primarily as a result of certain positions expected to be taken in future tax returns, of which, $7 million would impact the effective tax rate if the unrecognized tax benefits were recognized.

It is reasonably possible that the amount of the Company's unrecognized tax benefits may change within the next twelve months as a result of settlement of ongoing audits or for changes in judgment as new information becomes available related to positions expected to be taken in future tax returns, primarily related to transfer pricing initiatives. An estimate of the range of reasonably possible outcomes cannot be made at this time. Further, substantially all of the Company's unrecognized tax benefits relate to uncertain tax positions that are not currently under review by taxing authorities, and the Company is unable to specify the future periods in which it may be obligated to settle such amounts.

NOTE 14. Income Taxes — (Continued)

The Company records interest and penalties related to uncertain tax positions as a component of income tax expense. Estimated interest and penalties related to the potential underpayment of income taxes totaled $4 million for the three-months ended June 30, 2008. As of June 30, 2008, the Company had approximately $41 million of accrued interest and penalties related to uncertain tax positions.

NOTE 15. Comprehensive Loss

Comprehensive loss, net of tax is summarized below:

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Net loss	$ (42)	$ (67)	$ (147)	$ (220)
Pension and other postretirement benefit adjustments	(51)	44	(59)	109
Change in foreign currency translation adjustments	11	22	80	32
Unrealized gains/(losses) on derivatives	11	1	8	(2)
	$ (71)	$ —	$ (118)	$ (81)

Accumulated other comprehensive income is comprised of the following:

	June 30 2008	December 31 2007
	(Dollars in Millions)	
Foreign currency translation adjustments	$ 377	$ 297
Pension and other postretirement benefit adjustments, net of tax	(69)	(10)
Unrealized losses on derivatives	(4)	(12)
	$ 304	$ 275

NOTE 16. Loss Per Share

Basic net loss per share of common stock is calculated by dividing reported net loss by the average number of shares of common stock outstanding during the applicable period, adjusted for restricted stock. In addition to restricted stock, the calculation of diluted net loss per share takes into account the effect of dilutive potential common stock, such as stock warrants and stock options.

NOTE 16. Loss Per Share — (Continued)

	Three-Months Ended June 30		Six-Months Ended June 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Numerator:				
Net loss from continuing operations	$ (42)	$ (60)	$ (147)	$ (196)
Loss from discontinued operations, net of tax	—	7	—	24
Net loss	$ (42)	$ (67)	$ (147)	$ (220)
Denominator:				
Average common stock outstanding	130.7	129.6	130.3	129.3
Less: Average restricted stock outstanding	(1.2)	(0.1)	(0.8)	(0.1)
Basic and diluted shares	129.5	129.5	129.5	129.2
Per Share Data:				
Basic and diluted loss per share from continuing operations	$ (0.32)	$ (0.46)	$ (1.14)	$ (1.52)
Loss from discontinued operations, net of tax	—	(0.06)	—	(0.18)
Basic and diluted loss per share	$ (0.32)	$ (0.52)	$ (1.14)	$ (1.70)

For the three and six months ended June 30, 2008, stock options to purchase approximately 12 million and 13 million shares, respectively, of common stock and stock warrants to purchase 25 million shares of common stock were not included in the computation of diluted loss per share as the effect of including them would have been anti-dilutive. Stock warrants to purchase 25 million shares of common stock and stock options to purchase approximately 13 million shares of common stock for both the three and six months ended June 30, 2007 were not included in the computation of diluted loss per share as the effect would have been anti-dilutive.

NOTE 17. Fair Value Measurements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 157 (“SFAS 157”), “Fair Value Measurements.” SFAS 157 establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value and provides specific disclosure requirements based on the hierarchy.

Fair Value Hierarchy

SFAS 157 requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the SFAS 157 fair value hierarchy are described as follows:

• Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

• Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.

• Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

NOTE 17. Fair Value Measurements — (Continued)

SFAS 157 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2008:

	Fair Value Measurements	
	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(Dollars in Millions)	
Assets		
Interests in accounts receivable transferred	$ —	$ 433
Foreign currency instruments	18	—
Total	$ 18	$ 433
Liabilities		
Interest rate swaps	$ 6	$ —
Foreign currency instruments	10	—
Total	$ 16	$ —

Financial instruments whose fair values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the fair value measurement are considered to be Level 3 assets or liabilities. Changes in the fair value of the Company's Level 3 assets for the three and six-month periods ended June 30, 2008 were not material.

Valuation Methods

Interest rate swaps and foreign currency hedge instruments — These financial instruments are valued under an income approach using industry-standard models that consider various assumptions, including time value, volatility factors, current market and contractual prices for the underlying, and counterparty non-performance risk. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Interest in accounts receivable transferred — These financial assets result from the transfer of trade accounts receivable under the European Securitization. These securities are valued under an income approach, which requires inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the assumptions a market participant would use in pricing the asset or liability and include consideration of time value and counterparty non-performance risk.

NOTE 18. Commitments and Contingencies

Guarantees

The Company has guaranteed approximately $17 million of debt capacity held by subsidiaries and $102 million for lifetime lease payments held by consolidated subsidiaries.

NOTE 18. Commitments and Contingencies — (Continued)

Litigation and Claims

In February 2005, a shareholder lawsuit was filed in the U.S. District Court for the Eastern District of Michigan against the Company and certain current and former officers of the Company. In July 2005, the Public Employees' Retirement System of Mississippi was appointed as lead plaintiff in this matter. In September 2005, the lead plaintiff filed an amended complaint, which alleges, among other things, that the Company and its independent registered public accounting firm, PricewaterhouseCoopers LLP, made misleading statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The named plaintiff seeks to represent a class consisting of purchasers of the Company's securities during the period between June 28, 2000 and January 31, 2005. Class action status has not yet been certified in this litigation. On August 31, 2006, the defendants' motion to dismiss the amended complaint for failure to state a claim was granted. The plaintiffs have appealed this decision.

The Company and its current and former directors and officers intend to contest the foregoing lawsuit vigorously. However, at this time the Company is not able to predict with certainty the final outcome of the foregoing lawsuit or its potential exposure with respect to such lawsuit. In the event of an unfavorable resolution of this matter, the Company's earnings and cash flows in one or more periods could be materially affected to the extent any such loss is not covered by insurance or applicable accruals.

Product Warranty and Recall

Amounts accrued for product warranty and recall claims are based on management's best estimates of the amounts that will ultimately be required to settle such items. The Company's estimates for product warranty and recall obligations are developed with support from its sales, engineering, quality and legal functions and include due consideration of contractual arrangements, past experience, current claims and related information, production changes, industry and regulatory developments and various other considerations. The Company can provide no assurances that it will not experience material claims in the future or that it will not incur significant costs to defend or settle such claims beyond the amounts accrued or beyond what the Company may recover from its suppliers.

The following table provides a reconciliation of changes in product warranty and recall liability for the six months ended June 30, 2008 and 2007:

	Product Warranty and Recall	
	2008	2007
	(Dollars in Millions)	
Beginning balance, December 31	$ 108	$ 105
Accruals for products shipped	23	24
Changes related to pre-existing conditions (including changes in estimates)	9	(3)
Settlements	(20)	(20)
Ending balance, June 30	$ 120	$ 106

NOTE 18. Commitments and Contingencies — (Continued)

Environmental Matters

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. The Company is also subject to environmental laws requiring the investigation and cleanup of environmental contamination at properties it presently owns or operates and at third-party disposal or treatment facilities to which these sites send or arranged to send hazardous waste.

The Company is aware of contamination at some of its properties and relating to various third-party superfund sites at which the Company or its predecessor has been named as a potentially responsible party. The Company is in various stages of investigation and cleanup at these sites and at June 30, 2008, had recorded an accrual of approximately $7 million for this environmental investigation and cleanup. However, estimating liabilities for environmental investigation and cleanup is complex and dependent upon a number of factors beyond the Company's control and which may change dramatically. Although the Company believes its accrual is adequate based on current information, the Company cannot provide assurance that the eventual environmental investigation, cleanup costs and related liabilities will not exceed the amount of its current accrual.

Other Contingent Matters

In addition to the matters discussed above, various other legal actions, governmental investigations and proceedings and claims are pending or may be instituted or asserted in the future against the Company, including those arising out of alleged defects in the Company's products; governmental regulations relating to safety; employment-related matters; customer, supplier and other contractual relationships; intellectual property rights; and non-income taxes. Some of the foregoing matters may involve compensatory, punitive or antitrust or other treble damage claims in very large amounts, or demands for equitable relief, sanctions, or other relief.

Contingencies are subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Accruals have been established by the Company for matters where losses are deemed probable and reasonably estimable. It is possible, however, that some of the matters could be decided unfavorably to the Company and could require the Company to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at June 30, 2008 or that are in excess of established accruals. The Company does not reasonably expect, except as otherwise described herein, based on its analysis, that any adverse outcome from such matters would have a material effect on the Company's financial condition, results of operations or cash flows, although such an outcome is possible.

The Company enters into agreements that contain indemnification provisions in the normal course of business for which the risks are considered nominal and impracticable to estimate.

NOTE 19. Segment Information

Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information," requires the Company to disclose certain financial and descriptive information about segments of its business. Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision-maker, or a decision-making group, in deciding the allocation of resources and in assessing performance.

NOTE 19. Segment Information — (Continued)

The Company's operating structure is comprised of the following: Climate, Electronics, Interiors and Other. These global product groups have financial and operating responsibility over the design, development and manufacture of the Company's product portfolio. Within each of the global product groups, certain facilities manufacture a broader range of the Company's total product line offering and are not limited to the primary product line. Regional customer groups are responsible for the marketing, sales and service of the Company's product portfolio to its customer base. Certain functions such as procurement, information technology and other administrative activities are managed on a global basis with regional deployment. In addition to these global product groups, the Company also operates Visteon Services, a centralized administrative function to monitor and facilitate transactions primarily with ACH for the costs of leased employees and other services provided by the Company.

The Company's chief operating decision making group, comprised of the Executive Chairman, Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), evaluates the performance of the Company's segments primarily based on net sales, before elimination of inter-company shipments, gross margin and operating assets. Gross margin is defined as total sales less costs to manufacture and product development and engineering expenses. Operating assets include inventories and property and equipment utilized in the manufacture of the segments' products.

Overview of Segments

- Climate: The Climate product group includes facilities that primarily manufacture climate air handling modules, powertrain cooling modules, climate controls, heat exchangers, compressors, fluid transport, and engine induction systems.
- Electronics: The Electronics product group includes facilities that primarily manufacture audio systems, infotainment systems, driver information systems, powertrain and feature control modules, electronic control modules and lighting.
- Interiors: The Company's Interior product group includes facilities that primarily manufacture instrument panels, cockpit modules, door trim and floor consoles.
- Other: The Other product group includes facilities that primarily manufacture fuel and powertrain products.
- Services: The Company's Services operations supply leased personnel and transition services pursuant to the ACH Transactions. The Company provides ACH with certain information technology, personnel and other services to enable ACH to conduct its business in accordance with the Master Services Agreement and the Salaried Employee Lease Agreement. Services to ACH are provided at a rate approximately equal to the Company's cost until such time the services are no longer required by ACH or the expiration of the related agreement. In addition to services provided to ACH, the Company has also agreed to provide certain transition services related to other divestitures.

NOTE 19. Segment Information — (Continued)

Net Sales, Gross Margin and Operating Assets

A summary of net sales and gross margin by segment is provided below:

	Net Sales				Gross Margin			
	Three-Months Ended June 30		Six-Months Ended June 30		Three-Months Ended June 30		Six-Months Ended June 30	
	2008	2007	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)							
Climate	$ 879	$ 891	$ 1,733	$ 1,713	$ 78	$ 53	$ 161	$ 93
Electronics	1,001	944	1,969	1,845	115	69	208	132
Interiors	844	825	1,685	1,608	25	30	39	36
Other	175	350	374	783	12	4	16	27
Eliminations	(118)	(177)	(241)	(358)	—	—	—	—
Total products	2,781	2,833	5,520	5,591	230	156	424	288
Services	124	141	245	271	1	1	2	3
Total segments	2,905	2,974	5,765	5,862	231	157	426	291
Reconciling Item								
Corporate	—	—	—	—	—	(2)	—	(19)
Total consolidated	$ 2,905	$ 2,974	$ 5,765	$ 5,862	$ 231	$ 155	$ 426	$ 272

A summary of operating assets by segment is provided below:

	Inventories, net		Property and Equipment, net	
	June 30 2008	December 31 2007	June 30 2008	December 31 2007
	(Dollars in Millions)			
Climate	$ 208	$ 197	$ 915	$ 947
Electronics	170	154	781	758
Interiors	63	59	546	533
Other	25	85	2	57
Total products	466	495	2,244	2,295
Reconciling Item				
Corporate	—	—	477	498
Total consolidated	$ 466	$ 495	$ 2,721	$ 2,793

Reconciling Item

Certain adjustments are necessary to reconcile segment information to the Company's consolidated amounts. Corporate reconciling items are related to the Company's technical centers, corporate headquarters and other administrative and support functions.

Reclassification

Segment information for the three-month and six-month periods ended June 30, 2007 and as of December 31, 2007 has been recast to reflect the Company's Mobile Electronics and Philippines operations in the Electronics and Interiors product groups, respectively. These operations were previously reflected in the Other product group and have been reclassified consistent with the Company's current management reporting structure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations, financial condition, and cash flows of Visteon Corporation ("Visteon" or the "Company"). MD&A is provided as a supplement to, and should be read in conjunction with, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and Current Report on Form 8-K dated May 19, 2008, as filed with the Securities and Exchange Commission, and the financial statements and accompanying notes to the financial statements included elsewhere herein. The financial data presented herein are unaudited, but in the opinion of management reflect all adjustments, including normal recurring adjustments, necessary for a fair presentation of such information.

Executive Summary

Visteon Corporation is a leading global supplier of climate, interiors, electronics and other automotive systems, modules and components to global automotive original equipment manufacturers ("OEMs"). The Company sells to all the of the world's largest vehicle manufacturers including BMW, Chrysler LLC, Daimler AG, Fiat, Ford, General Motors, Honda, Hyundai / Kia, Nissan, PSA Peugeot Citroën ("PSA"), Renault, Toyota and Volkswagen. The Company has a broad network of manufacturing, technical engineering and joint venture operations in every major geographic region of the world, supported by approximately 38,500 employees dedicated to the design, development, manufacture and support of its product offering and its global customers, and conducts its business across five segments: Climate, Interiors, Electronics, Other and Services.

The automotive industry remains challenging, particularly in North America. However, because the North America region represents only 25% of Visteon's total sales, production decreases by North American automakers have been largely offset by sales growth in other regions of the world, particularly in Asia. Diversification by customer and geography, coupled with the Company's ongoing restructuring and business improvement actions, has allowed Visteon to continue to improve its financial performance during 2008, despite the difficult North American market.

Effective July 7, 2008, Visteon completed the sale of its Swansea, United Kingdom, operation. This disposition represents a significant milestone in the Company's effort to address non-core facilities and improve its financial performance in connection with its multi-year improvement plan. The Swansea operation, Visteon's largest operation in the UK, generated negative gross margin of approximately $40 million on sales of approximately $80 million during 2007. The Company expects to record losses of approximately $47 million in connection with this transaction, of which approximately $13 million will be reimbursed from the escrow account. During the three-months ended June 30, 2008, the Company recorded losses of $32 million on the Swansea Divestiture along with $13 million of escrow reimbursement. The remaining expected loss on the Swansea Divestiture is related to working capital adjustments and will be recorded in connection with the transaction closing date in the third quarter. Additionally, the Company entered into customer agreements to mitigate the operating losses at certain UK manufacturing facilities.

During the second quarter of 2008, Visteon also completed the planned closure of two non-core fuel tank facilities in Germany and ceased production at its operation in Bedford, Indiana, USA. These actions bring the number of completed actions as of June 30, 2008 to 22 of 30 previously identified restructuring actions under Visteon's multi-year improvement plan. As a result of these actions, the Company has recognized cumulative savings of approximately $250 million since the inception of the multi-year improvement plan. The Company continues to evaluate alternative courses of action related to the remaining 8 facilities, including the possibility of divestiture, closure or renegotiated commercial and/or labor arrangements. However, there is no assurance that a transaction or other arrangement will occur in the near term or at all. The Company's ultimate course of action for these facilities will be dependent upon that which provides the greatest long-term return to shareholders.

The Company's restructuring and business improvement efforts continued to drive significant geographic and customer diversification, with a greater percentage of the Company's product sales outside of North America. For the first half of 2008 the Company recorded net sales in North America of approximately $1.45 billion or 25%, Europe of approximately $2.42 billion or 42%, and Asia of approximately $1.68 billion or 29%. Although Ford remains the Company's largest customer, the Company has been steadily diversifying its sales with other OEMs. Product sales to Ford in North America were 12% of total product sales for the six months ended June 30, 2008 as compared to 16% during the six months ended June 30, 2007. Ford product sales in other regions were 24% and 25% for the six months ended June 30, 2008 and 2007, respectively.

Further declines in Ford's vehicle production could materially affect the Company's operating results, and the Company continues to work with other vehicle manufacturers to further its sales growth and diversification. During the first half of 2008, the Company was awarded new forward year programs across all of its product groups by other vehicle manufacturers which will further diversify the Company's sales base in future years.

The Company also took steps to improve its capital structure and reduce its near term debt maturities during the second quarter of 2008. On June 18, 2008, the Company completed the sale of $206.4 million aggregate principal amount of its 12.25% senior notes due 2016 (the "New Notes") in a private placement exempt from the registration requirements of the Securities Act of 1933. On June 18, 2008, the Company repurchased $344 million in aggregate principal amount of its 8.25% senior notes due August 2010 pursuant to a partial tender offer commenced on May 19, 2008. The Company used the net proceeds from the sale of the New Notes, plus additional cash on hand, to pay the aggregate consideration of approximately $337 million, excluding costs and expenses, for such repurchase.

Summary Financial Results for the Quarterly Period Ended June 30, 2008

Visteon reported significant year-over-year financial improvements in the second quarter of 2008, improving gross margin by $76 million and reducing its net loss by $25 million. Key financial results for the three-month period ended June 30, 2008 are summarized as follows:

- Product sales of approximately $2.8 billion, consistent with the same period of 2007.
- Product gross margin of $230 million or 8.3% of product sales, up from $154 million or 5.4% of product sales when compared to the same period of 2007.
- Net loss lower by $25 million when compared to a net loss of $67 million for the same period of 2007.
- Cash and equivalents of approximately $1.5 billion, of which approximately $950 million is in the United States.

During the second quarter of 2008, the Company recorded product sales of $2.78 billion compared to $2.83 billion for the same period in 2007, representing a decrease of approximately $52 million. Plant divestitures and closures decreased sales by $222 million and lower North America volumes resulted in a decrease in sales of $106 million. These decreases were partially offset by favorable currency of $163 million and increased vehicle production volumes in Asia, Europe and South America, demonstrating the benefit of the Company's significant geographic diversification.

For the three-month period ended June 30, 2008, North America product sales have decreased by 25% when compared to the same period of 2007 and comprise 24% of the Company's total product sales. This decrease was primarily driven by production declines in North America for key customers, including a 126,000 unit decline for Ford and a 20,000 unit decline for Nissan. Plant closures in connection with the Company's improvement plan also resulted in product sales declines in North America. Europe product sales comprised 43% of total product sales for the three-month period ended June 30, 2008 compared to 38% in the same period of 2007. The increase in Europe product sales was driven primarily by favorable currency related to the strengthening of the Euro, partially offset by the 2007 Chassis divestiture. Asia product sales increased by $69 million, comprising 29% of total product sales for the three-month period ended June 30, 2008 compared to 26% of total product sales for the three-month period ended June 30, 2007. The increase in Asia was primarily due to higher Hyundia/Kia vehicle production volumes.

The Company's product gross margin was $230 million in the second quarter of 2008, compared with $154 million in the second quarter of 2007, representing an increase of $76 million or 49%. The increase in gross margin was driven by favorable currency of $43 million and net cost performance of $41 million, which includes efficiencies achieved through manufacturing, purchasing, and ongoing restructuring efforts, net of customer pricing. These increases were partially offset by a reduction in gross margin related to manufacturing facilities that have been closed or divested.

As of June 30, 2008 the Company's consolidated cash and equivalents totaled $1.5 billion and approximately 63% of this balance was located in the U.S. The Company's cash and equivalent balance decreased by approximately $250 million during 2008 including the use of approximately $150 million to repurchase a portion of the Company's 8.25% senior notes due August 2010 and capital spending of $154 million, partially offset by proceeds from asset sales and divestitures of $59 million.

Results of Operations

Three Months Ended June 30, 2008 and 2007

	Sales			Gross Margin		
	2008	2007	Change	2008	2007	Change
			(Dollars in Millions)			
Climate	$ 879	$ 891	$ (12)	$ 78	$ 53	$ 25
Electronics	1,001	944	57	115	69	46
Interiors	844	825	19	25	30	(5)
Other	175	350	(175)	12	4	8
Eliminations	(118)	(177)	59	—	—	—
Total product	2,781	2,833	(52)	230	156	74
Services	124	141	(17)	1	1	—
Total segment	2,905	2,974	(69)	231	157	74
Reconciling Item						
Corporate	—	—	—	—	(2)	2
Total consolidated	$ 2,905	$ 2,974	$ (69)	$ 231	$ 155	$ 76

Net Sales

Net sales decreased $69 million during the three months ended June 30, 2008 when compared to the same period of 2007, consisting of a $52 million decrease in product sales and a $17 million decrease in services revenues. The decrease was attributable to divestitures and plant closures of $222 million and net customer price reductions, which were partially offset by favorable currency of $163 million and higher sales volumes of $38 million primarily due to increased Hyundia/Kia vehicle production volumes.

Net sales for Climate were $879 million for the three months ended June 30, 2008, compared with $891 million for the same period of 2007, representing a decrease of $12 million or 1%. Vehicle production volume and mix increased Climate sales by $60 million mainly in Asia and were primarily related to higher Hyundai/Kia sales. Favorable currency, primarily driven by the Euro, increased sales by $14 million. These increases were more than offset by a $52 million reduction in sales resulting from the closure of the Company's Connersville, Indiana facility and net customer price reductions.

Net sales for Electronics were $1,001 million for the three months ended June 30, 2008, compared to $944 million for the same period of 2007, representing an increase of $57 million or 6%. This increase included favorable currency of $98 million and favorable vehicle production volume and mix of $23 million in Europe primarily related to Ford, VW, and BMW. These increases were partially offset by lower North America vehicle production volumes related to Ford, the impact of past customer sourcing actions and net customer price reductions.

Net sales for Interiors were $844 million and $825 million for the three-month periods ended June 30, 2008 and 2007, respectively, representing an increase of $19 million or 2%. Favorable currency increased sales by $49 million and vehicle production volume and mix was favorable $52 million in Asia, largely driven by higher Hyundai/Kia vehicle production volumes. These increases were partially offset by lower Nissan vehicle production volumes in North America, lower Nissan/Renault and PSA vehicle production volumes in Europe, closure of the Company's Chicago, Illinois facility of $11 million and net customer price reductions.

Net sales for Other were $175 million in the second quarter of 2008, compared with $350 million in the second quarter of 2007, representing a decrease of $175 million or 50%. The decrease is associated with divestitures and plant closures of $130 million including the Chassis Divestiture, the Visteon Powertrain Control Systems India ("VPCSI") divestiture, and the NA Aftermarket divestiture. Lower Ford North America vehicle production volume also contributed to the decrease.

Services revenues primarily relate to information technology, engineering, administrative and other business support services provided by the Company to ACH, under the terms of various agreements with ACH. Such services are generally provided at an amount that approximates cost. Total services revenues were $124 million for the three months ended June 30, 2008, compared with $141 million for the same period of 2007. The decrease in services revenue represents lower ACH utilization of the Company's services in connection with the terms of various agreements.

Gross Margin

The Company's gross margin increased $76 million or 49% for the three months ended June 30, 2008. The increase in gross margin included $43 million related to favorable currency, $41 million related to net cost performance achieved through manufacturing and purchasing improvement efforts and restructuring activities net of customer pricing, and $30 million related to employee benefit curtailments and settlements. These increases were partially offset by a $21 million reduction related to plant closures and divestitures and $12 million related to the non-recurring benefit of a 2007 commercial settlement.

Gross margin for Climate of $78 million, or 8.9% of sales, for the three months ended June 30, 2008 represents an increase of $25 million or 47% when compared to $53 million for the same period of 2007. This increase includes $22 million resulting from increased vehicle production volumes and favorable currency.

Gross margin for Electronics was $115 million, or 11.5% of sales, for the three months ended June 30, 2008, compared with $69 million for the same period of 2007, representing an increase of $46 million or 67%. Net cost efficiencies achieved through manufacturing and purchasing improvement efforts and restructuring activities resulted in an increase in gross margin of $34 million. Favorable vehicle production volumes and currency further increased gross margin by $19 million, while accelerated depreciation attributable to the Company's restructuring efforts reduced gross margin $7 million.

Gross margin for Interiors was $25 million, or 3% of sales, for the three months ended June 30, 2008, compared with $30 million for the same period of 2007, representing a decrease of $5 million. The decrease includes the non-recurring benefit of a 2007 commercial settlement of $8 million, net negative cost performance of $6 million attributable to new program launches, partially offset by $10 million of contractual operating cost reimbursement.

Gross margin for Other was $12 million in the second quarter of 2008, compared with $4 million in the second quarter of 2007, representing an increase of $8 million. This increase includes employee benefit curtailment gains of $25 million, $8 million of contractual operating cost reimbursement, and favorable legal settlements of $5 million, partially offset by divestitures, plant closures and lower Ford North America vehicle production volumes.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $156 million in the second quarter of 2008, compared with $145 million in the second quarter of 2007, representing an increase of $11 million or 8%. The increase in expense includes $10 million of implementation costs related to the company's cost reduction initiatives, $7 million of bad debt and other costs, and currency of $6 million. These increases were partially offset by $12 million of efficiencies resulting from the Company's continuing cost reduction efforts, net of other costs.

Restructuring Expenses and Reimbursement from Escrow Account

During the second quarter of 2008, the Company recorded restructuring expenses of approximately $29 million under the previously announced multi-year improvement plan, of which, 50% were subject to reimbursement from the escrow account. Significant restructuring actions include the following:

- $18 million of employee severance and termination benefit costs associated with 55 employees at the Company's Other products facility located in Swansea, UK. In connection with the Swansea Divestiture, Visteon UK Limited agreed to reduce the number of employees to be transferred, which resulted in a $5 million employee severance benefit and $13 million of special termination benefits.
- $5 million of employee severance and termination benefit costs associated with approximately 40 employees to reduce the Company's salaried workforce in higher cost countries.
- $2 million of equipment relocation costs associated with the completed closure of a North American Climate facility.

The Company has incurred $350 million in cumulative restructuring costs related to the multi-year improvement plan including $138 million, $118 million, $63 million and $31 million for the Other, Interiors, Climate and Electronics product groups, respectively. Substantially all restructuring expenses recorded to date relate to employee severance and termination benefit costs and are classified as "Restructuring expenses" on the consolidated statements of operations. As of June 30, 2008, the restructuring reserve balance of $96 million is entirely attributable to the multi-year improvement plan.

The following is a summary of the Company's consolidated restructuring reserves and related activity for the three months ended June 30, 2008. The Company's restructuring expenses are primarily related to employee severance and termination benefit costs.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
March 31, 2008	$ 69	$ 4	$ 8	$ 28	$ 109
Expenses	3	4	—	22	29
Utilization	(11)	(6)	(1)	(24)	(42)
June 30, 2008	$ 61	$ 2	$ 7	$ 26	$ 96

Utilization for the three months ended June 30, 2008 includes $25 million of payments for severance and other employee termination benefits, $14 million of special termination benefits reclassified to pension and other postretirement employee benefits, where such payments are made from the Company's benefit plans and $3 million of payments for contract termination, equipment relocation and other costs.

Asset Impairments and Loss on Divestitures

On June 30, 2008, Visteon UK Limited, an indirect, wholly-owned subsidiary of the Company, transferred certain assets related to its chassis manufacturing operation located in Swansea, United Kingdom to Visteon Swansea Limited, a company incorporated in England and a wholly-owned subsidiary of Visteon UK Limited. Effective July 7, 2008, Visteon UK Limited sold the entire share capital of Visteon Swansea Limited to Linamar UK Holdings Inc., a wholly-owned subsidiary of Linamar Corporation for nominal cash consideration (together, the "Swansea Divestiture"). As of June 30, 2008, assets subject to the transaction met the "held for sale" criteria of Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in an asset impairment charge of approximately $7 million. The Company also recorded an asset impairment charge of approximately $4 million for certain Other product group assets that met the "held for sale" criteria of SFAS 144.

Interest

Interest expense was $55 million for the quarterly periods ended June 30, 2008 and 2007. Increases related to higher average outstanding debt and fees associated with the New Notes were offset by lower average interest rates and the recognition of unamortized gains related to interest rate swap hedges on the Old Notes.

Income Taxes

The provision for income taxes of $49 million for the second quarter represents an increase of $21 million when compared with $28 million in the same period of 2007. The increase in tax expense is primarily attributable to a lower tax benefit in the current period related to the Company's ability to offset pre-tax losses against other categories of income despite the existence of deferred tax asset valuation allowances. During the quarterly period ended June 30, 2007, the Company realized a tax benefit of approximately $20 million related to offsetting other comprehensive income realized in the U.S. and Germany, primarily related to the re-measurement of net pension and other postretirement benefits ("OPEB") obligations, against pre-tax operating losses effectively reducing the Company's deferred tax valuation allowance.

Six Months Ended June 30, 2008 and 2007

	Net Sales			Gross Margin		
	2008	2007	Change	2008	2007	Change
	(Dollars in Millions)					
Climate	$ 1,733	$ 1,713	$ 20	$ 161	$ 93	$ 68
Electronics	1,969	1,845	124	208	132	76
Interiors	1,685	1,608	77	39	36	3
Other	374	783	(409)	16	27	(11)
Eliminations	(241)	(358)	117	—	—	—
Total products	5,520	5,591	(71)	424	288	136
Services	245	271	(26)	2	3	(1)
Total segments	5,765	5,862	(97)	426	291	135
Reconciling Items						
Corporate	—	—	—	—	(19)	19
Total consolidated	$ 5,765	$ 5,862	$ (97)	$ 426	$ 272	$ 154

Net Sales

Net sales decreased $97 million during the six months ended June 30, 2008 when compared to the same period of 2007, consisting of a $71 million decrease in product sales and a $26 million decrease in services revenues. The decrease was due to divestitures and plant closures of $601 million and net customer price reductions, partially offset by favorable currency of $344 million and higher net sales volumes of $205 million. The net sales volume increase is primarily due to higher Hyundai/Kia and Ford Europe vehicle production volumes partially offset by decreases in Ford and Nissan vehicle production volumes in North America.

Net sales for Climate were $1,733 million for the six months ended June 30, 2008, compared with $1,713 million for the same period of 2007, representing an increase of $20 million or 1%. Vehicle production volume and mix increased Climate sales by $123 million primarily related to higher Hyundai/Kia sales in Asia. Favorable currency increased sales by $56 million, primarily due to the strengthening of the Euro. These increases were partially offset by lower sales resulting from the closure of the Company's Connersville, Indiana facility of $105 million and net customer price reductions.

Net sales for Electronics were $1,969 million for the six months ended June 30, 2008, compared to $1,845 million for the same period of 2007, representing an increase of $124 million or 7%. This increase included $179 million of favorable currency and $66 million of vehicle production volume and mix in Europe primarily related to higher volumes with Ford, VW, and BMW. These increases were partially offset by lower North America sales volumes related to Ford, the impact of past customer sourcing actions and net customer price reductions.

Net sales for Interiors were $1,685 million and $1,608 million for the six-month periods ended June 30, 2008 and 2007, respectively, for an increase of $77 million or 5%. Favorable currency increased sales by $105 million and vehicle production volume and mix was favorable $117 million in Asia consisting of higher Hyundai/Kia sales. These increases were partially offset by lower Nissan vehicle production volumes in North America, lower Nissan/Renault and PSA vehicle production volumes in Europe, closure of the Company's Chicago, Illinois facility of $54 million and net customer price reductions.

Net sales for Other were $374 million in the first half of 2008, compared with $783 million in the first half of 2007, representing a decrease of $409 million or 52%. The decrease was attributable to divestitures and plant closures of $392 million, including the Chassis Divestiture, the Visteon Powertrain Control Systems India ("VPCSI") Divestiture, and the NA Aftermarket Divestiture.

Services revenues primarily relate to information technology, engineering, administrative and other business support services provided by the Company to ACH, under the terms of various agreements with ACH. Such services are generally provided at an amount that approximates cost. Total services revenues were $245 million for the six-months ended June 30, 2008, compared with $271 million for the same period of 2007. The decrease in services revenue represents lower ACH utilization of the Company's services in connection with the terms of various agreements.

Gross Margin

The Company's gross margin was $426 million for the six months ended June 30, 2008, an increase of $154 million or 57%. The increase in gross margin included $75 million of net cost efficiencies achieved through business improvement and restructuring activities, $73 million of favorable currency, $54 million of employee benefit curtailments and settlements $13 million related to the sale of land and buildings in the UK, $9 million related to vehicle production volumes, and $5 million related to legal settlements. These increases were partially offset by a $48 million reduction related to plant closures and divestitures, the non-recurring benefit of a $12 million 2007 commercial settlement, and $6 million related to accelerated depreciation attributable to the Company's on-going restructuring efforts.

Gross margin for Climate of $161 million, or 9.3% of sales, for the six months ended June 30, 2008 represents an increase of $68 million or 73% when compared to the same period of 2007. This increase includes $16 million resulting from increased vehicle production volumes and favorable currency, $12 million of net cost performance achieved through manufacturing and purchasing improvement efforts and restructuring activities, $13 million for real property asset sales, and $10 million related to the non-recurrence of accelerated depreciation in 2007.

Gross margin for Electronics was $208 million, or 10.6% of sales, for the six-month period ended June 30, 2008, compared with $132 million, representing an increase of $76 million or 58%. Net cost efficiencies achieved through manufacturing and purchasing improvement efforts and restructuring activities resulted in an increase in gross margin of $56 million. Favorable vehicle production volumes and currency further increased gross margin by $35 million, while accelerated depreciation attributable to the Company's restructuring efforts reduced gross margin by $15 million.

Gross margin for Interiors was $39 million, or 2.3% of sales, for the six-month period ended June 30, 2008, compared with $36 million for the same period of 2007, for an increase of $3 million or 8%. The increase includes $7 million related to net cost efficiencies achieved through manufacturing and purchasing improvement efforts and restructuring activities and $2 million related to favorable vehicle production volumes and currency. This increase was partially offset by the non-recurrence of an $8 million 2007 favorable commercial settlement.

Gross margin for Other was $16 million in the first half of 2008, compared with $27 million in the first half of 2007, representing a decrease of $11 million or 41%. The effect of divestitures and plant closures was partially offset by an employee benefit curtailment gain of $25 million related to the closure of Bedford, IN manufacturing facility and favorable settlements of $5 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $304 million in the first half of 2008, compared with $314 million in the first half of 2007, representing a decrease of $10 million or 3%. The decrease is primarily attributable to $37 million of cost efficiencies resulting from the Company's ongoing restructuring activities. This decrease was partially offset by $14 million of implementation costs associated with the Company's restructuring activities and currency.

Restructuring Expenses and Reimbursement from Escrow Account

During the first six months of 2008 the Company recorded restructuring charges of $75 million under the previously announced multi-year improvement plan, of which, 50% were subject to reimbursement from the escrow account. Significant restructuring actions include the following:

- $23 million of employee severance and termination benefit costs associated with approximately 20 salaried and 280 hourly employees at a European Interiors facility.
- $18 million of employee severance and termination benefit costs associated with 55 employees at the Company's Other products facility located in Swansea, UK. In connection with the Swansea Divestiture, Visteon UK Limited agreed to reduce the number of employees to be, which resulted in a $5 million employee severance benefit and $13 million of special termination benefits.
- $18 million of employee severance and termination benefit costs related to reduce the Company's salaried workforce in higher cost countries. These costs are associated with approximately 160 salaried employees.
- $6 million of contract termination charges related to the closure of two European Other facilities.
- $3 million of equipment relocation costs associated with the completed closure of a North American Climate facility.
- $2 million of employee termination benefits associated with outplacement and training of former employees of a European Interiors facility.

The following is a summary of the Company's consolidated restructuring reserves and related activity for the six months ended June 30, 2008. The Company's restructuring expenses are primarily related to employee severance and termination benefit costs.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
December 31, 2007	$ 58	$ 23	$ 7	$ 24	$ 112
Expenses	28	5	1	41	75
Currency exchange	4	—	—	—	4
Utilization	(29)	(26)	(1)	(39)	(95)
June 30, 2008	$ 61	$ 2	$ 7	$ 26	$ 96

Utilization for the six months ended June 30, 2008 includes $72 million of payments for severance and other employee termination benefits, $18 million of special termination benefits reclassified to pension and other postretirement employee benefits, where such payments are made from the Company's benefit plans and $5 million of payments for contract termination, equipment relocation and other costs.

Asset Impairments and Loss on Divestitures

During the first half of 2008, the Company recorded asset impairment and loss on divestitures of $51 million, including $7 million related to the Swansea Divestiture and $40 million related to the NA Aftermarket divestiture. Of the $40 million loss on the NA Aftermarket divestiture, $21 million was considered asset impairment. During, 2008, assets subject to these divestiture transactions met the "held for sale" criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $28 million. The Company also recorded an impairment of $4 million for certain Other product group assets that met the "held for sale" criteria of SFAS 144.

Interest

Interest expense was $112 million for the six months ended June 30, 2008 as compared to $104 million for the same period of 2007. The increase of $8 million was due to higher average debt levels in the first half of 2008 when compared to 2007 as well as fees associated with the New Notes. Interest income increased by $5 million to a total of $28 million for the six months ended June 30, 2008 largely due to higher cash balances and related investments in 2008.

Income Taxes

The provision for income taxes of $100 million for the six-month period ended June 30, 2008 represents an increase of $55 million when compared with $45 million in the same period of 2007. The increase in tax expense is attributable to higher earnings in those countries where the Company is profitable resulting in an increase in income tax of $27 million. Additionally, the year to date income tax expense was affected by a lower income tax benefit corresponding to the Company's ability to offset pre-tax losses against other categories of income despite the existence of deferred tax asset valuation allowances, resulting in an increase in income tax expense of $26 million. During the six months ended June 30, 2007, the Company realized a tax benefit of approximately $27 million related to offsetting other comprehensive income realized in the U.S. and Germany, primarily related to the re-measurement of net pension and OPEB obligations, against pre-tax operating losses effectively reducing the Company's deferred tax valuation allowance.

Liquidity

Overview

The Company's cash and liquidity needs are impacted by the level, variability, and timing of its customers' worldwide vehicle production, which varies based on economic conditions and market shares in major markets. The Company's intra-year needs are impacted by seasonal effects in the industry, such as the shutdown of operations for two weeks in July, the subsequent ramp-up of new model production and the additional one-week shutdown in December by its primary North American customers. These seasonal effects normally require use of liquidity resources during the first and third quarters. The Company expects to fund its working capital, restructuring and capital expenditure needs with cash flows from operations. To the extent that the Company's liquidity needs exceed cash from operations, the Company would look to its cash balances and availability for borrowings to satisfy those needs, as well as the need to raise additional capital. However, the Company's ability to fund its working capital, restructuring and capital expenditure needs may be adversely affected by many factors including, but not limited to, general economic conditions, specific industry conditions, financial markets, competitive factors and legislative and regulatory changes. Therefore, assurance cannot be provided that Visteon will generate sufficient cash flow from operations or that available borrowings will be sufficient to enable the Company to meet its liquidity needs.

The Company's business is highly dependent upon the ability to access the credit and capital markets. Access to, and the costs of borrowing in, these markets depend in part on the Company's credit ratings, which are currently below investment grade. Moody's current corporate rating of the Company is B3 with a negative outlook, and the SGL rating is 3. The rating on the 2010 and 2014 senior unsecured debt is Caa2, and the rating on the new 2016 senior unsecured debt is Caa1. The current corporate rating of the Company by S&P is B with a negative outlook on the rating. S&P's senior unsecured debt rating is B-. Fitch's current rating on the Company's senior secured debt is B with a negative outlook. Any further downgrade in the Company's credit ratings could reduce its access to capital, increase the costs of future borrowings, and increase the possibility of more restrictive terms and conditions contained in any new or replacement financing arrangements or commercial agreements or payment terms with suppliers. Additionally, the current state of the credit and capital markets has resulted in severely constrained liquidity conditions owing to a reevaluation of risk attributable primarily, but not limited to, U.S. sub-prime mortgage backed securities. Continuation of such constraints may increase the Company's costs of borrowing and could restrict the Company's access to this potential source of future liquidity.

2008 Issuance of New Notes and Tender Offer for Notes due 2010

On June 18, 2008, the Company completed the sale of $206.4 million aggregate principal amount of its 12.25% senior notes due 2016 (the "New Notes") in a private placement exempt from the registration requirements of the Securities Act of 1933. On June 18, 2008, the Company repurchased $344 million in aggregate principal amount of its 8.25% senior notes due August 2010 pursuant to a partial tender offer commenced on May 19, 2008. The Company used the net proceeds from the sale of the New Notes, plus additional cash on hand, to pay the aggregate consideration of approximately $337 million, excluding costs and expenses, for such repurchase. The New Notes rank equally with the Company's existing and future unsecured term debt, senior to any future subordinated debt, and are guaranteed by certain of its U.S. subsidiaries. The New Notes have not been and will not be registered under the Securities Act or any state securities laws.

Cash and Equivalents

As of June 30, 2008 and December 31, 2007 the Company's consolidated cash balances totaled $1.5 billion and $1.8 billion, respectively. Approximately 63% and 68% of these consolidated cash balances were located in the U.S. as of June 30, 2008 and December 31, 2007, respectively. As the Company's operating profitability has become more concentrated with its foreign subsidiaries and joint ventures, the Company's cash balances located outside the U.S. remain significant. The Company's ability to efficiently access cash balances in certain foreign jurisdictions is subject to local regulatory and statutory requirements.

Escrow Account

In connection with the ACH Transactions, Ford paid $400 million into an escrow account for use by the Company to restructure its businesses subject to the terms and conditions of the Escrow Agreement, dated October 1, 2005, among the Company, Ford and Deutsche Bank Trust Company Americas. The Escrow Agreement provides that the Company will be reimbursed from the escrow account for the first $250 million of reimbursable restructuring costs, as defined in the Escrow Agreement, and up to one half of the next $300 million of such costs. Cash in the escrow account is invested, at the direction of the Company, in high quality, short-term investments and related investment earnings are credited to the account as earned. Investment earnings of $28 million became available to reimburse the Company's restructuring costs following the use of the first $250 million of available funds. Investment earnings on the remaining $150 million will be available for reimbursement after full utilization of those funds.

Effective October 2007, the Company's restructuring cost reimbursement match was reduced to fifty percent of qualifying expenses pursuant to the terms of the Escrow Agreement. As of June 30, 2008, the Company had received cumulative reimbursements from the escrow account of $336 million, and $97 million was available for reimbursement pursuant to the terms of the Escrow Agreement.

Asset Securitization

The Company transfers certain customer trade account receivables originating from subsidiaries located in Germany, Portugal, Spain, France and the UK ("Sellers") pursuant to a European securitization agreement ("European Securitization"). The European Securitization agreement extends until August 2011 and provides up to $325 million in funding from the sale of receivables originated by the Sellers and transferred to Visteon Financial Centre P.L.C. (the "Transferor"). The Transferor is a bankruptcy-remote qualifying special purpose entity. Receivables transferred from the Sellers are funded through cash obtained from the issuance of variable loan notes to third-party lenders and through subordinated loans obtained from a wholly-owned subsidiary of the Company.

Availability of funding under the European Securitization depends primarily upon the amount of trade account receivables, reduced by outstanding borrowings under the program and other characteristics of those receivables that affect their eligibility (such as bankruptcy or the grade of the obligor, delinquency and excessive concentration). As of June 30, 2008, approximately $223 million of the Company's transferred receivables were considered eligible for borrowing under this facility, $105 million was outstanding and $118 million was available for funding.

Revolving Credit Agreement

The Company's revolving credit agreement allows for available borrowings of up to $350 million. Availability at any time is dependent upon various factors, including outstanding letters of credit, the amount of eligible receivables, inventory and property and equipment. Borrowings under the Revolving Credit Agreement bear interest based on a variable rate interest option selected at the time of borrowing. The Revolving Credit Agreement expires on August 14, 2011. As of June 30, 2008, there were no outstanding borrowings under the Revolving Credit Agreement. The total facility availability for the Company was $251 million, with $158 million of available borrowings under the facility after a reduction for $93 million of obligations under letters of credit.

Cash Flows

Operating Activities

Cash provided by operating activities during the six months ended June 30, 2008 totaled $7 million, compared with $15 million for the same period in 2007. The decrease is attributable to lower dividends from non-consolidated affiliates, higher net restructuring cash outflow, higher annual incentive compensation payments, and an increase in recoverable tax assets. The decreases were partially offset by non-recurrence of a $65 million reduction in receivables sold in 2007, improved trade working capital excluding change in receivables sold, and lower net loss, as adjusted for certain non-cash items.

Investing Activities

Cash used in investing activities was $91 million during the six months ended June 30, 2008, compared with $55 million for the same period in 2007. The increase in cash usage primarily resulted from lower proceeds from divestiture and asset sales and an increase in capital expenditures. Capital expenditures, excluding capital leases, increased to $154 million in the six months ended June 30, 2008 compared with $144 million in the same period of 2007. The proceeds from divestiture and asset sales for the six months ended June 30, 2008, which included proceeds from the NA Aftermarket divestiture, totaled $59 million compared to $90 million for the six months ended June 30, 2007, which included proceeds from the Chassis divestiture.

Financing Activities

Cash used by financing activities totaled $182 million in the six months ended June 30, 2008, compared with $444 million provided by financing activities in the same period of 2007. Cash used by financing activities in the six months ended June 30, 2008 primarily resulted from the purchase of $344 million in aggregate principal amount of the Company's Old Notes and issuance of $206.4 million in aggregate principal amount of New Notes, a decrease in book overdrafts and dividends to minority shareholders. Cash provided from financing activities in the six months ended June 30, 2007 reflects the proceeds from the Company's $500 million addition to its seven-year term loan, partially offset by reductions in affiliate debt, a decrease in book overdrafts, and dividends to minority shareholders.

Debt and Capital Structure

Debt

Additional information related to the Company's debt is set forth in Note 12 "Debt" to the consolidated financial statements included herein under Item 1.

Covenants and Restrictions

The New Notes were issued pursuant to a supplemental indenture which contains covenants that limit, among other things, the ability of the Company and its restricted subsidiaries to incur additional indebtedness, make certain distributions, investments and other restricted payments, dispose of assets, grant liens on assets, issue guarantees, designate unrestricted subsidiaries, engage in transactions with affiliates, enter into agreements restricting the ability of subsidiaries to pay dividends, engage in sale and leaseback transactions, and merge or consolidate or transfer substantially all of its assets, subject to certain exceptions and qualifications. Each of the Company's existing and future wholly-owned domestic restricted subsidiaries that guarantee debt under the Company's revolving credit facility guarantee the New Notes.

Holders of the New Notes have the right to require the Company to redeem their New Notes in whole or in part on December 31, 2013 at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest. The Company may redeem the New Notes prior to December 31, 2013 in whole at any time or in part from time to time, at its option, at a redemption price equal to the greater of (1) 100% of the principal amount to be redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the New Notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable Treasury Rate plus 50 basis points plus accrued and unpaid interest, including, if applicable, liquidated damages, on the principal amount being redeemed to the redemption date. Thereafter, the Company may redeem the New Notes in whole at any time or in part from time to time, at its option, at specified redemption prices plus accrued and unpaid interest. In addition, upon the occurrence of certain change of control events, holders of the New Notes have the right to require the Company to purchase some or all of the New Notes at 101% of the principal amount thereof, plus accrued and unpaid interest. The Company is required to pay additional interest on the New Notes if, at any time during the period beginning six months and ending one year after the June 18, 2008, adequate current public information with respect to the Company is unavailable.

Subject to limited exceptions, each of the Company's direct and indirect, existing and future, domestic subsidiaries as well as certain foreign subsidiaries, acts as guarantor under its term loan credit agreement. The obligations under the credit agreement are secured by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including intellectual property, intercompany debt, the capital stock of nearly all direct and indirect domestic subsidiaries as well as certain foreign subsidiaries, and 65% of the stock of certain foreign subsidiaries, as well as a second-priority lien on substantially all other material tangible and intangible assets of the Company and most of its domestic subsidiaries.

Obligations under the Revolving Credit Agreement are secured by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including real property, accounts receivable, inventory, equipment and other tangible and intangible property, including the capital stock of nearly all direct and indirect domestic subsidiaries (other than those domestic subsidiaries the sole assets of which are capital stock of foreign subsidiaries) and certain foreign subsidiaries, as well as a second-priority lien on substantially all other material tangible and intangible assets of the Company and most of its domestic subsidiaries which secure the Company's term loan credit agreement.

The terms relating to both credit agreements specifically limit the obligations to be secured by a security interest in certain U.S. manufacturing properties and intercompany indebtedness and capital stock of U.S. manufacturing subsidiaries in order to ensure that, at the time of any borrowing under the Credit Agreement and other credit lines, the amount of the applicable borrowing which is secured by such assets (together with other borrowings which are secured by such assets and obligations in respect of certain sale-leaseback transactions) do not exceed 15% of Consolidated Net Tangible Assets (as defined in the indenture applicable to the Company's outstanding bonds and debentures).

The credit agreements contain, among other things, mandatory prepayment provisions for certain asset sales, recovery events, equity issuances and debt incurrence, covenants, representations and warranties and events of default customary for facilities of this type. Such covenants include certain restrictions on the incurrence of additional indebtedness, liens, acquisitions and other investments, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other repurchases in respect of capital stock, voluntary prepayments of certain other indebtedness, capital expenditures, transactions with affiliates, changes in fiscal periods, hedging arrangements, lines of business, negative pledge clauses, subsidiary distributions and the activities of certain holding company subsidiaries, subject to certain exceptions.

Under certain conditions, amounts outstanding under the credit agreements may be accelerated. Bankruptcy and insolvency events with respect to the Company or certain of its subsidiaries will result in an automatic acceleration of the indebtedness under the credit agreements. Subject to notice and cure periods in certain cases, other events of default under the credit agreements will result in acceleration of indebtedness under the credit agreements at the option of the lenders. Such other events of default include failure to pay any principal, interest or other amounts when due, failure to comply with covenants, breach of representations or warranties in any material respect, non-payment or acceleration of other material debt, entry of material judgments not covered by insurance, or a change of control of the Company.

At June 30, 2008, the Company was in compliance with applicable covenants and restrictions, as amended, although there can be no assurance that the Company will remain in compliance with such covenants in the future. If the Company was to violate a covenant and not obtain a waiver, the credit agreements could be terminated and amounts outstanding would be accelerated. The Company can provide no assurance that, in such event, that it would have access to sufficient liquidity resources to repay such amounts.

Off-Balance Sheet Arrangements

Guarantees

The Company has guaranteed certain Tier 2 suppliers' debt and lease obligations and other third-party service providers' obligations to ensure the continued supply of essential parts. These guarantees have not, nor does the Company expect they are reasonably likely to have, a material current or future effect on the Company's financial position, results of operations or cash flows.

Asset Securitization

Transfers under the European Securitization, for which the Company receives consideration other than a beneficial interest, are accounted for as "true sales" under the provisions of Statement of Financial Accounting Standards No. 140 ("SFAS 140"), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" and are removed from the balance sheet. Transfers under the European Securitization, for which the Company receives a beneficial interest are not removed from the balance sheet and total $433 million and $434 million as of June 30, 2008 and December 31, 2007, respectively. Such amounts are recorded at fair value and are subordinated to the interests of third-party lenders. Securities representing the Company's retained interests are accounted for as trading securities under Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

Availability of funding under the European Securitization depends primarily upon the amount of trade receivables reduced by outstanding borrowings under the program and other characteristics of those trade receivables that affect their eligibility (such as bankruptcy or the grade of the obligor, delinquency and excessive concentration). As of June 30, 2008, approximately $223 million of the Company's transferred trade receivables were considered eligible for borrowing under this facility, $105 million was outstanding and $118 million was available for funding. The Company recorded losses of $4 million for each of the six-month periods ended June 30, 2008 and 2007 related to trade receivables sold under the European Securitization. The table below provides a reconciliation of changes in interests in account receivables transferred for the period.

	Six Months Ended June 30	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 434	$ 482
Receivables transferred	1,552	1,866
Proceeds from new securitizations	—	(41)
Proceeds from collections reinvested in securitization	(282)	(257)
Cash flows received on interest retained	(1,301)	(1,522)
Currency exchange	30	23
Ending balance	$ 433	$ 551

Fair Value Measurements

The Company uses fair value measurements in the preparation of its financial statements, which utilize various inputs including those that can be readily observable, corroborated or are generally unobservable. The Company utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. The primary financial instruments that are recorded at fair value in the Company's financial statements include derivative instruments and retained interests in trade accounts receivable transferred under the European Securitization.

The Company's use of derivative instruments creates exposure to credit loss in the event of nonperformance by the counterparty to the derivative financial instruments. The Company limits this exposure by entering into agreements directly with a variety of major financial institutions with high credit standards and that are expected to fully satisfy their obligations under the contracts. Fair value measurements related to derivative assets take into account the non-performance risk of the respective counterparty, while derivative liabilities take into account the non-performance risk of the Company and its foreign affiliates. The hypothetical gain or loss from a 100 basis point change in non-performance risk would be less than $1 million for the fair value of foreign currency derivatives and net interest rate swaps as of June 30, 2008.

The fair value of retained interests in accounts receivable transferred is based on a valuation technique that requires inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the assumptions a market participant would use in pricing the asset or liability and include consideration of time value and counterparty non-performance risk. The hypothetical gain or loss from a 100 basis point change in these assumptions would be approximately $5 million.

New Accounting Standards

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." This statement requires disclosure of (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations, and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 and becomes effective for the Company on a prospective basis on January 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), "Business Combinations" and Statement of Financial Accounting Standards No. 160, "Non-controlling Interests in Consolidated Financial Statements, an amendment to ARB No. 51." These statements change the accounting and reporting for business combination transactions and minority interests in consolidated financial statements. These statements are required to be adopted simultaneously and are effective for the first annual reporting period beginning on or after December 15, 2008. The Company is currently evaluating the impact of these statements on its consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115." This statement permits measurement of financial instruments and certain other items at fair value. The Company adopted this statement effective January 1, 2008 and has not elected the permitted fair value measurement provisions of this statement.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "Fair Value Measurements." This statement, which became effective January 1, 2008, defines fair value, establishes a framework for measuring fair value and expands disclosure requirements regarding fair value measurements. The Company adopted the requirements of SFAS 157 as of January 1, 2008 without a material impact on its consolidated financial statements, as more fully disclosed in Note 17, "Fair Value Measurements." In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-2 ("FSP FAS 157-2"), "*Effective Date of FASB Statement No. 157*," which delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. The Company has not applied the provisions of SFAS 157 to its nonfinancial assets and nonfinancial liabilities in accordance with FSP FAS 157-2 and is currently evaluating the impact of this FSP on its consolidated financial statements.

Cautionary Statements Regarding Forward-Looking Information

Certain statements contained or incorporated in this Quarterly Report on Form 10-Q which are not statements of historical fact constitute "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements give current expectations or forecasts of future events. Words such as "anticipate", "expect", "intend", "plan", "believe", "seek", "estimate" and other words and terms of similar meaning in connection with discussions of future operating or financial performance signify forward-looking statements. These statements reflect the Company's current views with respect to future events and are based on assumptions and estimates, which are subject to risks and uncertainties including those discussed in Item 1A under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for fiscal year 2007 and elsewhere in this report. Accordingly, the reader should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this report. The Company does not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made. The Company qualifies all of its forward-looking statements by these cautionary statements.

The reader should understand that various factors, in addition to those discussed elsewhere in this document, could affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements, including:

- Visteon's ability to satisfy its future capital and liquidity requirements; Visteon's ability to access the credit and capital markets at the times and in the amounts needed and on terms acceptable to Visteon, which is influenced by Visteon's credit ratings (which have declined in the past and could decline further in the future); Visteon's ability to comply with covenants applicable to it; and the continuation of acceptable supplier payment terms.
- Visteon's ability to satisfy its pension and other postemployment benefit obligations, and to retire outstanding debt and satisfy other contractual commitments, all at the levels and times planned by management.
- Visteon's ability to access funds generated by its foreign subsidiaries and joint ventures on a timely and cost effective basis.
- Changes in the operations (including products, product planning and part sourcing), financial condition, results of operations or market share of Visteon's customers, particularly its largest customer, Ford.
- Changes in vehicle production volume of Visteon's customers in the markets where we operate, and in particular changes in Ford's North American and European vehicle production volumes and platform mix.
- Visteon's ability to profitably win new business from customers other than Ford and to maintain current business with, and win future business from, Ford, and, Visteon's ability to realize expected sales and profits from new business.
- The availability of Visteon's federal net operating loss carryforward and other federal income tax attributes may be eliminated or significantly limited if a change of ownership of Visteon, within the meaning of Section 382 of the Internal Revenue Code, were to occur.
- Increases in commodity costs or disruptions in the supply of commodities, including steel, resins, aluminum, copper, fuel and natural gas.
- Visteon's ability to generate cost savings to offset or exceed agreed upon price reductions or price reductions to win additional business and, in general, improve its operating performance; to achieve the benefits of its restructuring actions; and to recover engineering and tooling costs.
- Visteon's ability to compete favorably with automotive parts suppliers with lower cost structures and greater ability to rationalize operations; and to exit non-performing businesses on satisfactory terms, particularly due to limited flexibility under existing labor agreements.
- Restrictions in labor contracts with unions that restrict Visteon's ability to close plants, divest unprofitable, noncompetitive businesses, change local work rules and practices at a number of facilities and implement cost-saving measures.
- The costs and timing of facility closures or dispositions, business or product realignments, or similar restructuring actions, including potential impairment or other charges related to the implementation of these actions or other adverse industry conditions and contingent liabilities.
- Significant changes in the competitive environment in the major markets where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.

- Legal and administrative proceedings, investigations and claims, including shareholder class actions, SEC inquiries, product liability, warranty, employee-related, environmental and safety claims, and any recalls of products manufactured or sold by Visteon.
- Changes in economic conditions, currency exchange rates, changes in foreign laws, regulations or trade policies or political stability in foreign countries where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.
- Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to or difficulties in the employment of labor in the major markets where Visteon purchases materials, components or supplies to manufacture its products or where its products are manufactured, distributed or sold.
- Changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of Visteon's products or assets.
- Possible terrorist attacks or acts of war, which could exacerbate other risks such as slowed vehicle production, interruptions in the transportation system, or fuel prices and supply.
- The cyclical and seasonal nature of the automotive industry.
- Visteon's ability to comply with environmental, safety and other regulations applicable to it and any increase in the requirements, responsibilities and associated expenses and expenditures of these regulations.
- Visteon's ability to protect its intellectual property rights, and to respond to changes in technology and technological risks and to claims by others that Visteon infringes their intellectual property rights.
- Visteon's ability to provide various employee and transition services to Automotive Components Holdings, LLC in accordance with the terms of existing agreements between the parties, as well as Visteon's ability to recover the costs of such services.
- Visteon's ability to quickly and adequately remediate control deficiencies in its internal control over financial reporting.
- Other factors, risks and uncertainties detailed from time to time in Visteon's Securities and Exchange Commission filings.

Other Financial Information

PricewaterhouseCoopers LLP, an independent registered public accounting firm, performed a limited review of the financial data presented on page 3 through 25 inclusive. The review was performed in accordance with standards for such reviews established by the Public Company Accounting Oversight Board (United States). The review did not constitute an audit; accordingly, PricewaterhouseCoopers LLP did not express an opinion on the aforementioned data. Their review report included herein is not a "report" within the meaning of Sections 7 and 11 of the Securities Act of 1933 and the independent registered public accounting firm's liability under Section 11 does not extend to it.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary market risks to which the Company is exposed include changes in foreign currency exchange rates, interest rates and certain commodity prices. The Company manages these risks through derivative instruments and various operating actions including fixed price contracts with suppliers and cost sourcing arrangements with customers. The Company's use of derivative instruments is limited to hedging activities and such instruments are not used for speculative or trading purposes, as per clearly defined risk management policies. Additionally, the Company's use of derivative instruments creates exposure to credit loss in the event of nonperformance by the counterparty to the derivative financial instruments. The Company limits this exposure by entering into agreements directly with a variety of major financial institutions with high credit standards and that are expected to fully satisfy their obligations under the contracts.

Foreign Currency Risk

The Company's net cash inflows and outflows exposed to the risk of changes in exchange rates arise from the sale of products in countries other than the manufacturing source, foreign currency denominated supplier payments, debt and other payables, subsidiary dividends and investments in subsidiaries. The Company utilizes derivative financial instruments to manage foreign currency exchange rate risks. Forward contracts and, to a lesser extent, option contracts are utilized to protect the Company's cash flow from adverse movements in exchange rates. Foreign currency exposures are reviewed monthly and any natural offsets are considered prior to entering into a derivative financial instrument. The Company's primary foreign exchange operating exposures include the Euro, Korean Won, Czech Koruna and Mexican Peso. For transactions in these currencies, the Company utilizes a strategy of partial coverage. As of June 30, 2008, the Company's coverage for projected transactions in these currencies was approximately 69%. As of June 30, 2008 and December 31, 2007, the net fair value of foreign currency forward and option contracts was an asset of $8 million and a liability of $1 million, respectively.

The hypothetical pre-tax gain or loss in fair value from a 10% favorable or adverse change in quoted currency exchange rates would be approximately $37 million and $30 million as of June 30, 2008 and December 31, 2007, respectively. These estimated changes assume a parallel shift in all currency exchange rates and include the gain or loss on financial instruments used to hedge loans to subsidiaries. Because exchange rates typically do not all move in the same direction, the estimate may overstate the impact of changing exchange rates on the net fair value of the Company's financial derivatives. It is also important to note that gains and losses indicated in the sensitivity analysis would generally be offset by gains and losses on the underlying exposures being hedged.

Interest Rate Risk

The Company is subject to interest rate risk principally in relation to fixed-rate and variable-rate debt. The Company uses derivative financial instruments to manage exposure to fluctuations in interest rates in connection with its risk management policies. The Company has entered into interest rate swaps for a portion of the 8.25% notes due August 1, 2010 ($125 million) and a portion of the 7.00% notes due March 10, 2014 ($225 million). These interest rate swaps effectively convert the designated portions of these notes from fixed interest rate to variable interest rate instruments. Additionally, the Company has entered into interest rate swaps for a portion of the $1 billion term loan due 2013 ($200 million), effectively converting the designated portion of this loan from a variable interest rate to a fixed interest rate instrument. Approximately 32% and 37% of the Company's borrowings were effectively on a fixed rate basis as of June 30, 2008 and December 31, 2007, respectively. As of June 30, 2008 and December 31, 2007, the net fair value of interest rate swaps were liabilities of $6 million and $9 million, respectively.

The potential loss in fair value of these swaps from a hypothetical 50 basis point adverse change in interest rates would be approximately $3 million as of June 30, 2008 and $4 million as of December 31, 2007. The annual increase in pre-tax interest expense from a hypothetical 50 basis point adverse change in variable interest rates (including the impact of interest rate swaps) would be approximately $9 million as of June 30, 2008 and December 31, 2007. This analysis may overstate the adverse impact on net interest expense because of the short-term nature of the Company's interest bearing investments.

During the third quarter of 2004 and the first quarter of 2005, the Company terminated interest rate swaps with a notional amount of $190 million and $200 million, respectively, related to the 8.25% notes due 2010. The fair value of these swaps at termination was deferred and amortized as a reduction in interest expense over the remaining term of the debt. In connection with the June 2008 retirement of $344 million of the 8.25% notes due 2010, the Company recognized $3 million of unamortized gains associated with approximately $300 million notional amount of such previously terminated interest rate swaps.

Commodity Risk

The Company's exposure to market risks from changes in the price of commodities including steel products, plastic resins, aluminum, natural gas and diesel fuel are not hedged due to a lack of acceptable hedging instruments in the market. While the Company addresses exposures to price changes in such commodities through operating actions, including negotiations with suppliers and customers, there can be no assurance that the Company will be able to mitigate any or all price increases and/or surcharges. When and if acceptable hedging instruments are available in the market, management will determine at that time if financial hedging is appropriate, depending upon the Company's exposure level at that time, the effectiveness of the financial hedge and other factors.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports the Company files with the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

The Company's management carried out an evaluation, under the supervision and with the participation of the CEO and the CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2008. Based upon that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the quarterly period ended June 30, 2008 that have materially affected the Company's internal controls over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the information above under Note 18, "Commitments and Contingencies," to the consolidated financial statements which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. See also, "Cautionary Statements Regarding Forward-Looking Information" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes information relating to purchases made by or on behalf of the Company, or an affiliated purchaser, of shares of Visteon common stock during the second quarter of 2008.

Issuer Purchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased(1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1, 2008 to April 30, 2008	—	$ —	—	—
May 1, 2008 to May 31, 2008	—	—	—	—
June 1, 2008 to June 30, 2008	203,850	3.34	200,000	1,650,000
Total	203,850	$3.34	200,000	1,650,000

(1) This column includes 3,850 shares surrendered to the Company by employees to satisfy tax withholding obligations in connection with the vesting of restricted share awards made pursuant to the Visteon Corporation 2004 Incentive Plan. This column also includes 200,000 shares purchased in the open market pursuant to a publicly announced program approved by the Board of Directors on December 12, 2007, which authorized the purchase of up to 2 million shares of the Company's common stock during the subsequent 24 months to be used solely to satisfy obligations under the Company's employee benefit programs.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Stockholders of the Company was held on May 14, 2008. At the meeting, the following matters were submitted to a vote of the stockholders:

(1) The election of the eight directors listed below to serve for a one-year term beginning at the 2008 annual meeting of stockholders and expiring at the 2009 annual meeting of stockholders. The terms of office as directors of Charles L. Schaffer, Donald J. Stebbins and Kenneth B. Woodrow also continued after the meeting but they were not up for election at the 2008 annual meeting.

Nominee	For	Withheld
William H. Gray, III	98,398,563	12,310,208
Steven K. Hamp	109,670,899	1,037,872
Patricia L. Higgins	98,401,477	12,307,294
Michael F. Johnston	109,999,059	709,712
Karl J. Krapek	98,378,319	12,330,451
Alex J. Mandl	109,213,355	1,495,416
Richard J. Taggart	109,755,737	953,034
James D. Thornton	98,469,621	12,239,150

(2) The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2008.

For	Against	Abstain	Broker Non-Votes
110,471,404	159,180	78,184	N/A

(3) The approval of amendments to the Visteon Corporation 2004 Incentive Plan.

For	Against	Abstain	Broker Non-Votes
77,046,309	14,134,858	148,569	19,379,034

(4) Consideration of a stockholder proposal relating to the ability of stockholders to call special meetings.

For	Against	Abstain	Broker Non-Votes
12,238,275	78,827,359	264,102	19,379,034

ITEM 6. EXHIBITS

See Exhibit Index on Page 54.

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 thereunto duly authorized.

VISTEON CORPORATION

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

Date: July 30, 2008

EXHIBIT INDEX

Exhibit Number	Exhibit Name
3.1	Amended and Restated Certificate of Incorporation of Visteon Corporation ("Visteon") is incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K of Visteon dated May 22, 2007.
3.2	Amended and Restated By-laws of Visteon as in effect on the date hereof is incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K of Visteon dated May 22, 2007.
4.1	Amended and Restated Indenture dated as of March 10, 2004 between Visteon and J.P. Morgan Trust Company, as Trustee, is incorporated herein by reference to Exhibit 4.01 to the Current Report on Form 8 -K of Visteon dated March 3, 2004 (filed as of March 19, 2004).
4.2	Supplemental Indenture dated as of March 10, 2004 between Visteon and J.P. Morgan Trust Company, as Trustee, is incorporated herein by reference to Exhibit 4.02 to the Current Report on Form 8-K of Visteon dated March 3, 2004 (filed as of March 19, 2004).
4.3	Form of Common Stock Certificate of Visteon is incorporated herein by reference to Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
4.4	Warrant to purchase 25 million shares of common stock of Visteon, dated as of May 17, 2007, is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated May 18, 2007.
4.5	Form of Stockholder Agreement, dated as of October 1, 2005, between Visteon and Ford Motor Company ("Ford") is incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
4.6	Letter Agreement, dated as of May 17, 2007, among Visteon, LB I Group, Inc. and Ford Motor Company is incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8 -K of Visteon dated May 18, 2007.
4.7	Term sheet dated July 31, 2000 establishing the terms of Visteon's 8.25% Notes due August 1, 2010 and 7.00% Notes due March 10, 2014 is incorporated herein by reference to Exhibit 4.7 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.
4.8	Second Supplemental Indenture, dated as of June 18, 2008, between Visteon, the guarantors party thereto and The Bank of New York Trust Company, N.A., as Trustee, (including a form of Note) is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated June 24, 2008.
10.1	Master Transfer Agreement dated as of March 30, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.2 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.2	Master Separation Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Registration Statement on Form S-1 of Visteon dated June 6, 2000 (File No. 333-38388).
10.3	Amended and Restated Employee Transition Agreement dated as of April 1, 2000, as amended and restated as of December 19, 2003, between Visteon and Ford is incorporated herein by reference to Exhibit 10.7 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2003.
10.3.1	Amendment Number Two, effective as of October 1, 2005, to Amended and Restated Employee Transition Agreement, dated as of April 1, 2000 and restated as of December 19, 2003, between Visteon and Ford is incorporated herein by reference to Exhibit 10.15 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.4	Tax Sharing Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.8 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333 -38388).
10.5	Visteon Corporation 2004 Incentive Plan, as amended, is incorporated herein by reference to Appendix B to the Proxy Statement of Visteon dated March 31, 2008.*

Exhibit Number	Exhibit Name
10.5.1	Form of Terms and Conditions of Nonqualified Stock Options is incorporated herein by reference to Exhibit 10.5.2 to the Quarterly Report on Form 10-Q of Visteon dated November 8, 2007.*
10.5.2	Form of Terms and Conditions of Restricted Stock Grants is incorporated herein by reference to Exhibit 10.5.2 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*
10.5.3	Form of Terms and Conditions of Restricted Stock Units (cash settled only) is incorporated herein by reference to Exhibit 10.5.3 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*
10.5.4	Form of Terms and Conditions of Stock Appreciation Rights (cash settled only) is incorporated herein by reference to Exhibit 10.5.4 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*
10.5.5	Form of Terms and Conditions of Stock Appreciation Rights (stock or cash settled) is incorporated herein by reference to Exhibit 10.5.6 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.5.6	Form of Terms and Conditions of Restricted Stock Units (stock or cash settled) is incorporated herein by reference to Exhibit 10.5.7 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.6	Form of Three Year Executive Officer Change in Control Agreement is incorporated herein by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.6.1	Schedule identifying substantially identical agreements to Three Year Executive Officer Change in Control Agreement constituting Exhibit 10.6 hereto entered into by Visteon with Messrs. Johnston, Stebbins, Donofrio, and Quigley and Ms. Stephenson is incorporated herein by reference to Exhibit 10.6.2 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2007.*
10.7	Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended effective Jun 12, 2008.*
10.8	Visteon Corporation Restricted Stock Plan for Non-Employee Directors, as amended, is incorporated herein by reference to Exhibit 10.15 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2003.*
10.8.1	Amendments to the Visteon Corporation Restricted Stock Plan for Non-Employee Directors, effective as of January 1, 2005 is incorporated herein by reference to Exhibit 10.15.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.8.2	Amendment to the Visteon Corporation Restricted Stock Plan for Non-Employee Directors, effective as of May 10, 2006, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated May 12, 2006.*
10.9	Visteon Corporation Deferred Compensation Plan is incorporated herein by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.9.1	Amendments to the Visteon Corporation Deferred Compensation Plan, effective as of December 23, 2005 is incorporated herein by reference to Exhibit 10.16.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.10	Employment Agreement dated as of December 7, 2004 between Visteon and William G. Quigley III is incorporated herein by reference to Exhibit 10.17 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.11	Visteon Corporation Pension Parity Plan, as amended through February 9, 2005, is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated February 15, 2005.*
10.11.1	Amendments to the Visteon Corporation Pension Parity Plan, effective as of January 1, 2005 is incorporated herein by reference to Exhibit 10.18.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*

Exhibit Number	Exhibit Name
10.12	Visteon Corporation Supplemental Executive Retirement Plan, as amended through February 9, 2005, is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated February 15, 2005.*
10.12.1	Amendments to the Visteon Corporation Supplemental Executive Retirement Plan, effective as of January 1, 2005 is incorporated herein by reference to Exhibit 10.19.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.12.2	Amendments to the Visteon Corporation Supplemental Executive Retirement Plan, effective as of June 30, 2006, is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated June 19, 2006.*
10.13	Amended and Restated Employment Agreement, effective as of March 1, 2007, between Visteon and Michael F. Johnston is incorporated herein by reference to Exhibit 10.13 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2006.*
10.13.1	Amendment, effective as of June 1, 2008, to the Amended and Restated Employment Agreement, effective as of March 1, 2007, between Visteon and Michael F. Johnston.*
10.14	Visteon Corporation Executive Separation Allowance Plan, as amended through February 9, 2005, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form -K of Visteon dated February 15, 2005.*
10.14.1	Amendments to the Visteon Corporation Executive Separation Allowance Plan, effective as of January 1, 2005 is incorporated herein by reference to Exhibit 10.22.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.15	Trust Agreement dated as of February 7, 2003 between Visteon and The Northern Trust Company establishing a grantor trust for purposes of paying amounts to certain directors and executive officers under the plans constituting Exhibits 10.6, 10.6.1, 10.7, 10.7.1, 10.9, 10.9.1, 10.11, 10.11.1, 10.12, 10.12.1, 10.12.2, 10.14 and 10.14.1 hereto is incorporated herein by reference to Exhibit 10.15 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.16	Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.17 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.16.1	First Amendment to Credit Agreement and Consent, dated as of November 27, 2006, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated December 1, 2006.
10.16.2	Second Amendment to Credit Agreement and Consent, dated as of April 10, 2007, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated April 16, 2007.

Exhibit Number	Exhibit Name
10.16.3	Third Amendment to Credit Agreement, dated as of March 12, 2008, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.16.3 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.
10.17	Amended and Restated Credit Agreement, dated as of April 10, 2007, among Visteon, the several banks and other financial institutions or entities from time to time party thereto, Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated April 16, 2007.
10.18	Hourly Employee Conversion Agreement dated as of December 22, 2003 between Visteon and Ford is incorporated herein by reference to Exhibit 10.28 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2003.
10.19	Letter Agreement, effective as of May 23, 2005, between Visteon and Mr. Donald J. Stebbins is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated May 23, 2005.*
10.20	Visteon Corporation Non-Employee Director Stock Unit Plan, as amended effective June 12, 2008.*
10.21	Settlement Agreement, dated as of July 27, 2007 between Visteon Systemes Interieurs, Visteon and Joel Coque (unofficial translation) is incorporated herein by reference to Exhibit 10.23 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2007.*
10.22	Visteon Executive Severance Plan is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated February 15, 2005.*
10.23	Form of Executive Retiree Health Care Agreement is incorporated herein by reference to Exhibit 10.28 to the Current Report on Form 8-K of Visteon dated December 9, 2004.*
10.23.1	Schedule identifying substantially identical agreements to Executive Retiree Health Care Agreement constituting Exhibit 10.23 hereto entered into by Visteon with Messrs. Johnston and Stebbins and Ms. D. Stephenson is incorporated herein by reference to Exhibit 10.25.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2007.*
10.24	Contribution Agreement, dated as of September 12, 2005, between Visteon and VHF Holdings, Inc. is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.25	Visteon "A" Transaction Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.26	Visteon "B" Purchase Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.27	Escrow Agreement, dated as of October 1, 2005, among Visteon, Ford and Deutsche Bank Trust Company Americas, as escrow agent, is incorporated herein by reference to Exhibit 10.11 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.28	Reimbursement Agreement, dated as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.12 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.29	Master Services Agreement, dated as of September 30, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated October 6, 2005.

Exhibit Number	Exhibit Name
10.30	Visteon Hourly Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.31	Visteon Hourly Employee Conversion Agreement, dated effective as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.9 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.32	Visteon Salaried Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.32.1	Amendment to Salaried Employee Lease Agreement and Payment Acceleration Agreement, dated as of March 30, 2006, among Visteon, Ford Motor Company and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.46.1 to the Quarterly Report on Form 10-Q of Visteon dated May 10, 2006.
10.33	Visteon Salaried Employee Lease Agreement (Rawsonville/Sterling), dated as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.8 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.34	Visteon Salaried Employee Transition Agreement, dated effective as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.10 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.34.1	Amendment Number One to Visteon Salaried Employee Transition Agreement, effective as of March 1, 2006, between Visteon and Ford is incorporated herein by reference to Exhibit 10.36.1 to the Quarterly Report on Form 10-Q of Visteon dated August 8, 2006.
10.35	Purchase and Supply Agreement, dated as of September 30, 2005, between Visteon (as seller) and Automotive Components Holdings, LLC (as buyer) is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.36	Purchase and Supply Agreement, dated as of September 30, 2005, between Automotive Components Holdings, LLC (as seller) and Visteon (as buyer) is incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.37	Purchase and Supply Agreement, dated as of October 1, 2005, between Visteon (as seller) and Ford (as buyer) is incorporated herein by reference to Exhibit 10.13 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.38	Intellectual Property Contribution Agreement, dated as of September 30, 2005, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.6 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.38.1	Amendment to Intellectual Property Contribution Agreement, dated as of December 11, 2006, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and Automotive Components Holdings, LLC, is incorporated herein by reference to Exhibit 10.40.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2006.
10.39	Software License and Contribution Agreement, dated as of September 30, 2005, among Visteon, Visteon Global Technologies, Inc. and Automotive Components Holdings, Inc. is incorporated herein by reference to Exhibit 10.7 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.40	Intellectual Property License Agreement, dated as of October 1, 2005, among Visteon, Visteon Global Technologies, Inc. and Ford is incorporated herein by reference to Exhibit 10.14 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.41	Master Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated September 16, 2005.

Exhibit Number	Exhibit Name
10.42	Master Receivables Purchase & Servicing Agreement, dated as of August 14, 2006, by and among Visteon UK Limited, Visteon Deutschland GmbH, Visteon Sistemas Interiores Espana S.L., Cadiz Electronica SA, Visteon Portuguesa Limited, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International Plc, Citicorp USA, Inc., and Visteon is incorporated herein by reference to Exhibit 10.44 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.43	Variable Funding Agreement, dated as of August 14, 2006, by and among Visteon UK Limited, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank International PLC, and certain financial institutions listed therein, is incorporated herein by reference to Exhibit 10.45 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.44	Subordinated VLN Facility Agreement, dated as of August 14, 2006, by and among Visteon Netherlands Finance B.V., Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., and Citibank International PLC is incorporated herein by reference to Exhibit 10.46 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.45	Master Definitions and Framework Deed, dated as of August 14, 2006, by and among Visteon, Visteon Netherlands Finance B.V., Visteon UK Limited, Visteon Deutschland GmbH, Visteon Systemes Interieurs SAS, Visteon Ardennes Industries SAS, Visteon Sistemas Interiores Espana S.L., Cadiz Electronica SA, Visteon Portuguesa Limited, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International PLC, Citicorp USA, Inc., Wilmington Trust SP Services (Dublin) Limited, and certain financial institutions and other entities listed therein, is incorporated herein by reference to Exhibit 10.47 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.46	Share Purchase Agreement, dated as of July 7, 2008, among Visteon UK Limited, Linamar UK Holdings Inc. and Visteon Swansea Limited is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated July 11, 2008.
12.1	Statement re: Computation of Ratios.
14.1	Visteon Corporation — Ethics and Integrity Policy (code of business conduct and ethics).
15.1	Letter of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, dated July 30, 2008 relating to Unaudited Interim Financial Information.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer dated July 30, 2008.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer dated July 30, 2008.
32.1	Section 1350 Certification of Chief Executive Officer dated July 30, 2008.
32.2	Section 1350 Certification of Chief Financial Officer dated July 30, 2008.

† Portions of these exhibits have been redacted pursuant to confidential treatment requests filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The redacted material was filed separately with the Securities and Exchange Commission.

* Indicates that exhibit is a management contract or compensatory plan or arrangement.

In lieu of filing certain instruments with respect to long-term debt of the kind described in Item 601(b)(4) of Regulation S-K, Visteon agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

EXHIBIT 10.7

VISTEON CORPORATION

DEFERRED COMPENSATION PLAN

FOR NON-EMPLOYEE DIRECTORS

(As amended through June 12, 2008)

Section 1. EFFECTIVE DATE

The Board of Directors of Visteon Corporation have adopted this Deferred Compensation Plan, effective October 11, 2000, for the benefit of the non-employee directors of Visteon Corporation.

Section 2. DEFINITIONS

When used herein the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise:

(a) “Account” means the recordkeeping account maintained by the Company in the name of the Participant. An Account is established for record keeping purposes only and not to reflect the physical segregation of assets on the Participant’s behalf, and may consist of such subaccounts or balances as the Committee may determine to be necessary or appropriate, including the following:

1. “Voluntary Deferral Subaccount” means the Visteon Stock Units that are credited to the Participant’s Account as a result of the Participant’s election to make Voluntary Deferrals.

2. “Restricted Stock Subaccount” means the Visteon Stock Units that are credited to the Participant’s Account as a result of the Participant’s election to make Restricted Stock Deferrals.

3. “Dividend Subaccount” means the Visteon Stock Units that are credited to the Participant’s Account as a result of deemed dividends on Visteon Stock Units credited to the Participant’s Account.

(b) “Administrative Committee” means the non-participating members of the Board.

(c) “Affiliate” means a person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Company, within the meaning of Code Sections 414(b) and (c); provided that Code Sections 414(b) and (c) shall be applied by substituting “at least fifty percent (50%)” for “at least eighty percent (80%)” each place it appears therein.

(d) “Board” means the Board of Directors of the Company.

(e) “Code” means the Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time.

(f) “Company” means Visteon Corporation, or any successor thereto.

(g) “Company Stock” means the common stock of the Company, par value $1.00.

(h) “Exchange” means the New York Stock Exchange.

(i) “Participant” means each member of the Board who is not a common-law employee of the Company.

(j) “Plan” means the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended from time to time.

(k) “Plan Year” means the period beginning on the effective date of the Plan and ending on December 31, 2000, and thereafter, the twelve month period beginning on January 1 and ending December 31 of each year.

(l) “Restricted Stock” means Company Stock that was awarded to the Participant under the Restricted Stock Plan prior to the suspension of such awards effective May 10, 2006, or that would have been awarded under such plan but for the Participant’s election to make Restricted Stock Deferrals.

(m) “Restricted Stock Deferrals” means the Visteon Stock Units that are credited to a Participant’s Restricted Stock Subaccount as a result of the Participant’s election, pursuant to the Restricted Stock Plan, to receive Visteon Stock Units under this Plan in lieu of a grant of Restricted Stock under the Restricted Stock Plan.

(n) "Restricted Stock Plan" means the Visteon Corporation Restricted Stock Plan for Non-Employee Directors, as amended and in effect from time to time.

(o) Separation from Service" means the date on which a Participant ceases to be a member of the Board of Directors of the Company (or the board of directors of any Affiliate), provided that such cessation constitutes a separation from service for purposes of Code Section 409A.

(p) "Visteon Stock Units" mean the hypothetical shares of Company Stock that are credited to a Participant's Account in accordance with Sections 4, 5 and 6.

(q) "Voluntary Deferrals" mean cash remuneration that would otherwise be paid to a Participant but that, in accordance with the Participant's election, is converted into Visteon Stock Units and credited to the Participant's Voluntary Deferral Subaccount.

Section 3. ADMINISTRATION

(a) General Authority. The Administrative Committee shall have the full power and discretionary authority to: (1) interpret and administer the Plan and any instrument relating to or made under the Plan; (2) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (3) make any other determination, and take any other action, that the Administrative Committee deems necessary or desirable for the administration of the Plan. The decisions and determinations of the Administrative Committee need not be uniform and may be made differently among Participants, and shall be final, binding and conclusive on all interested parties.

(b) Recordkeeping. The Administrative Committee shall be responsible for maintaining all Accounts; provided that the Administrative Committee may in its discretion appoint or remove a third-party recordkeeper to maintain the Accounts as provided herein.

(c) Effectiveness of Elections. Any elections or beneficiary designations made under this Plan shall be effective only upon the delivery of the appropriate form to the Secretary of the Company and its acceptance by the Administrative Committee.

Section 4. VOLUNTARY DEFERRALS

(a) Voluntary Deferrals. Each Participant may elect, in such form and manner specified by the Administrative Committee, to defer the receipt of any cash remuneration to be earned with respect to services to be performed as a non-employee member of the Board after the effective date of the election. Such election shall be effective on the first day of the Plan Year following the date it is received by the Administrative Committee, provided that to the extent permitted under Code Section 409A, a Participant may elect within 30 days of first becoming a Participant to have an election take effect immediately with respect to any compensation for services to be performed after the date of the election. An election, once it becomes effective with respect to a Plan Year, shall be irrevocable for that Plan Year. An election shall continue in effect for subsequent Plan Years (and with respect to any Plan Year shall become irrevocable on January 1 of that Plan Year) unless modified by the Participant in accordance with this Section 4(a). A Participant may modify an existing election effective on the first day of the Plan Year following the date on which the revised election is received by the Administrative Committee.

(b) Conversion to Visteon Stock Units. As of the last day of each month, all Voluntary Deferrals made by or on behalf of a Participant during that month shall be converted, for recordkeeping purposes, into whole and fractional Visteon Stock Units, with fractional units calculated to four decimal places, with the resulting Visteon Stock Units being credited to the Participant's Voluntary Deferral Subaccount. The conversion shall be accomplished by dividing each Participant's Voluntary Deferrals by the average of the high and low prices at which a share of

Company Stock shall have been sold regular way on the Exchange on the last day of such month on which the Exchange is open to transact trades.

(c) Vesting. Each Participant shall at all times be 100% vested in his or her Voluntary Deferral Subaccount.

Section 5. RESTRICTED STOCK DEFERRALS

(a) Restricted Stock Deferrals. The Restricted Stock Subaccount of a Participant who has made and has in effect an election to make Restricted Stock Deferrals shall be credited with a number of Visteon Stock Units equal to the number of shares of Restricted Stock that would otherwise have been issued to the Participant under the Restricted Stock Plan.

(b) Vesting. A Restricted Stock Subaccount shall be subject to the same vesting standards as would have applied under the Restricted Stock Plan had the Participant elected to receive Restricted Stock under that plan rather than Visteon Stock Units under this Plan.

Section 6. DIVIDEND EQUIVALENTS

(a) Conversion to Visteon Stock Units. Any cash dividends that would have been payable in any month on the Visteon Stock Units credited to a Participant's Account had such units been actual shares of Company Stock shall be converted, for recordkeeping purposes, into whole and fractional Visteon Stock Units, with fractional units calculated to four decimal places, with the resulting Visteon Stock Units credited to the Participant's Dividend subaccount. The conversion shall be accomplished by dividing the Participant's deemed dividends for the month by the average of the high and low prices at which a share of Common Stock shall have been sold regular way on the Exchange on the last day of such month on which the Exchange is open to transact trades.

(b) Vesting. Each Participant shall at all times be 100% vested in his or her Dividend Subaccount.

Section 7. DISTRIBUTIONS

(a) Distribution Date. Distribution of a Participant's vested Account shall be made or commence to be made on the later of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which occurs the Participant's Separation from Service.

(b) Participant Distribution Elections. Distribution shall be made in the form or forms of distribution elected by the Participant. A Participant's distribution election with respect to any Plan Year applies to both (i) the Voluntary Deferrals and (for periods through May 10, 2006) Restricted Stock Deferrals made by or on behalf of the Participant during that Plan Year, and (ii) all dividend equivalent credits made with respect to such deferrals. The Participant may elect to have a distribution made either in (i) a single sum, or (ii) ten (10) annual installments. A Participant who fails to make any distribution election shall be deemed to have elected the single sum payment option.

1. Pre-2009 Plan Year Deferral Balances. The Participant may make a separate distribution election with respect to each Plan Year; provided that a Participant's election with respect to a Plan Year shall continue in effect with respect to each subsequent Plan Year unless the Participant has submitted (and the Administrative Committee has received) a modified distribution election prior to January 1 of the Plan Year. On or before December 31, 2008, a Participant may further revise his or her distribution election with respect to any Plan Year; provided that a revised distribution election made during calendar years 2006, 2007 or 2008 with respect to any Plan Year will not be given effect, and the Participant's immediately prior valid distribution election with respect to such Plan Year will continue in effect, if the revised election would operate to cause amounts that would otherwise be distributable in the calendar year in which the revised distribution election is made to be deferred for distribution in a subsequent calendar year, or to cause amounts that would otherwise be

distributable in a subsequent calendar year to become distributable in the calendar year in which the revised election is made. A Participant's distribution elections as in effect on December 31, 2008 for Plan Year ending on or before December 31, 2008, shall be irrevocable.

2. Post-2008 Plan Year Deferral Balances. The Participant may make a separate distribution election with respect to each Plan Year. Such election shall be effective on the first day of the Plan Year following the date it is received by the Administrative Committee; provided that to the extent permitted under Code Section 409A, a Participant may make a distribution election within 30 days of first becoming a Participant with respect to the Plan Year in which participation commences. A distribution election, once becoming effective with respect to a Plan Year, shall be irrevocable with respect to that Plan Year. An election shall continue in effect with respect for subsequent Plan Years (and, with respect to any Plan Year, shall become irrevocable on January 1 of that Plan Year) unless modified by the Participant in accordance with this Section 7. A Participant may modify an existing election effective on the first day of the Plan Year following the date on which the revised election is received by the Administrative Committee.

(c) Distribution Procedures.

1. Single Sum Distribution. If the Participant has elected the single sum distribution option, the Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of Company Stock equal to the number of Visteon Stock Units credited to the Participant's Account (and cash in lieu of any fractional unit) for which such election is in effect; provided that the Administrative Committee may direct that all or any part of the Participant's distribution be satisfied in cash rather than by a distribution of Company Stock, in which case the cash payment shall be determined by multiplying the number of Visteon

Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

2. Installment Distributions. If the Participant has elected the installment distribution option, the first installment will be paid on the date specified in Section 7(a). Each subsequent installment will be paid on January 15 of each succeeding calendar year during the installment period. The annual installment distribution amount for any year shall be initially determined on a share basis by dividing the number of Visteon Stock Units credited to the Participant's Account as of January 1 of the year for which the distribution is being made and for which such an election is in effect by the number of installment payments remaining to be made, and then rounding the quotient obtained for all but the final installment to the next lowest whole number. The Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of Company Stock equal to the number of Visteon Stock Units that are being redeemed as part of the installment (and cash in lieu of any fractional unit); provided that the Administrative Committee may direct that all or any part of the installment distribution be satisfied in cash rather than by a distribution of Visteon Stock, in which case the cash payment shall be determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

(d) Securities Restrictions. With respect to any shares of Company Stock distributed to a Participant, the Participant will not sell or otherwise dispose of such Company Stock except pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Act") and applicable state securities laws, which the Company may but shall not be required to file, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and a legend may be placed on the certificates for the Company Stock to such effect. In addition, in the event of any underwritten public offering of the Company's securities pursuant to an effective registration statement filed under the Act and upon the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any shares of Company Stock (other than those included in the registration) acquired under this Plan without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters.

(e) Timing of Distributions. Any distribution that is to be made on a specified date may be made within 31 days following such date; provided that the Participant is not permitted, directly or indirectly, to specify the taxable year of the payment.

Section 8. BENEFICIARY

(a) Death Benefits. If a Participant dies before his or her entire Account has been distributed, then the remainder of the Participant's Account shall be distributed in a lump sum on the later to occur of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant's death. Any distribution that is to be made on a specified date may be made within 31 days following such date.

(b) Designation of Beneficiary. Each Participant may designate one or more beneficiaries in such form and manner specified by the Administrative Committee, which beneficiary shall be entitled to receive the balance of the Participant's Account as provided under subsection (a) in the event of the

Participant’s death. The Participant may from time to time revoke or change the beneficiary without the consent of any prior beneficiary by filing a new designation with the Secretary of the Company. The last such designation received by the Secretary of the Company shall be controlling. If no beneficiary designation is in effect at the time the Participant dies, or if no designated beneficiary survives the Participant, the Participant’s beneficiary shall be the Participant’s estate.

Section 9. SOURCE OF BENEFITS

Benefits accumulated under the Plan shall constitute an unfunded, unsecured promise by the Company to provide such payments in the future, as and to the extent such amounts become payable. Benefits attributable to service as a non-employee member of the Board shall be paid from the general assets of the Company, and no person shall, by virtue of this Plan, have any interest in such assets, other than as an unsecured creditor of the Company.

Section 10. NON-ALIENATION

Except as otherwise expressly provided by this Plan, neither the Participant nor his or her beneficiary or beneficiaries, including, without limitation, the Participant’s executors and administrators, heirs, legatees, distributees, and any other person or persons claiming any benefits through the Participant under this Plan shall have any right to assign, transfer, pledge, hypothecate, sell, transfer, alienate and encumber or otherwise convey the right to receive any benefits hereunder, which benefits and the rights thereto are expressly declared to be nontransferable. The right to receive benefits under this Plan also shall not be subject to execution, attachment, garnishment, or similar legal, equitable or other process for the benefit of the Participant’s or beneficiary’s creditors. Any attempted assignment, transfer, pledge hypothecation or other disposition of the Participant’s or beneficiary’s rights to receive benefits under this Plan or the levy of any attachment, garnishment or similar process thereupon, shall be null and void and without effect.

Section 11. CHANGE IN CONTROL

In the event of a Change in Control Event (as defined in Code Section 409A) with respect to the Company, a Participant's Account shall be fully vested, notwithstanding any vesting schedule that would otherwise be applicable, and the value of the Participant's Account, determined as of the date of the Change in Control Event, shall be immediately paid to the Participant in a single sum cash payment, notwithstanding any prior distribution election made by the Participant.

Section 12. DURATION OF PLAN

Unless terminated earlier pursuant to Section 13, this Plan shall remain in effect during the term of service of the Participants and until the Account of each Participant has been distributed as provided herein.

Section 13. AMENDMENT AND TERMINATION

The Board reserves the right to amend or terminate this Plan at any time; provided that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A, and the authority of the Administrative Committee to administer the Plan shall extend beyond the date of the Plan's termination; and provided further that no amendment or termination of the Plan shall adversely affect the rights of any Participant or beneficiary to benefits then accrued without the written consent of the affected Participant or beneficiary.

Section 14. MISCELLANEOUS

(a) Governing Law. This Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to conflict of law principles thereof.

(b) Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person, or under any law deemed applicable by the Administrative Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrative Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Plan shall remain in full force and effect.

(c) Successors and Assigns. The Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(d) Transactions Affecting Visteon Common Stock. In the event of any merger, share exchange, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure of the Company affecting Company Stock, the Administrative Committee shall make appropriate equitable adjustments with respect to the Visteon Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such Units are valued and/or distributed, as the Administrative Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.

(e) Permitted Delay in Payment. If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms of Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

EXHIBIT 10.13.1

AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDMENT ("Amendment") to the Amended and Restated Employment Agreement, effective as of March 1, 2007 (the "Employment Agreement") is made and effective as of June 1, 2008 (the "Effective Date"), between Visteon Corporation, a Delaware corporation, ("Visteon") and Michael F. Johnston (the "Executive"). Any capitalized term used but not defined herein shall have the meaning ascribed thereto in the Employment Agreement, except as otherwise provided.

WHEREAS, in order to ensure an orderly succession, as of the Effective Date, the Board of Directors of Visteon desires to continue the Executive's employment as Chairman of the Board of Directors and to appoint Donald J. Stebbins as Chief Executive Officer of Visteon; and

WHEREAS, the Board of Directors and the Executive desire to amend the Employment Agreement; and

WHEREAS, Visteon and the Executive desire to amend the Employment Agreement, in part, to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**");

NOW, THEREFORE, the Employment Agreement is hereby amended as follows:

1. The first sentence in Section 1 is hereby amended by deleting the words "Chief Executive Officer and."

2. Section 3 is hereby amended in the following respect:

   i. The first sentence is amended by deleting the words "Chief Executive Officer and" and replacing the word "positions" with "position."

3. The text in Section 8 is hereby deleted in its entirety and is replaced with the following:

   Transition Bonus. The Executive shall be paid an amount equal to $2,500,000.00 on the Effective Date as a transition bonus; provided, however, if the Executive voluntarily resigns from employment or Executive is terminated by reason of Cause before December 31, 2008, the Executive shall pay to Visteon an amount equal $2,500,000.00 multiplied by a fraction the numerator of which is the number of days from such termination date until December 31, 2008, and the denominator of which is the total number of days from March 1, 2007 until December 31, 2008. Visteon acknowledges and agrees that all of the Executive's outstanding stock options, restricted stock units and stock appreciation rights shall become fully vested on the earlier of: (i) his date of death or disability (as determined under Visteon's long term disability plan applicable to the Executive),

(ii) his termination without Cause, (iii) his termination of employment by mutual agreement of the parties, (iv) a Change in Control (as such term is defined in the Change in Control Severance Agreement between Visteon and the Executive) or (v) on December 31, 2008, if the Executive remains employed with the Company through December 31, 2008 (and has not voluntarily resigned or been terminated for Cause on or before such date). Further, in the event of a Change in Control prior to the Executive's termination of employment and on or before December 31, 2008, the amount of $2,500,000.00 to which the Executive is entitled hereunder shall be an offset against severance payments, if any, under such Change in Control Severance Agreement.

4. The following sentence is hereby added to the end of Section 12 as follows:

Notwithstanding any other provision herein, if Visteon determines that Executive is a "specified employee," for purposes of Section 409A of the Code, on the date of "separation from service" (within the meaning of Section 409A of the Code), no compensation or benefits under this Employment Agreement shall be paid or provided to Executive during the period lasting six months from the date of such "separation from service" ("Six-Month Period"), to the extent such payment or provision could reasonably result in additional taxes under Section 409A of the Code (as determined by the Executive). Executive shall promptly notify Visteon of his determination (and in any case within ten (10) days following Visteon's request therefore and Visteon may defer payments hereunder for such ten-day period). If any payment to Executive is delayed pursuant to the foregoing sentence, such payment instead shall be made on the first business day following the expiration of the Six-Month Period, along with simple interest at LIBOR as in effect on the date of Executive's "separation from service".

VISTEON CORPORATION

By: /s/ Dorothy L. Stephenson
Name: Dorothy L. Stephenson
Title: Senior Vice President, HR

/s/ Michael F. Johnston
Michael F. Johnston

VISTEON CORPORATION

NON-EMPLOYEE DIRECTOR

STOCK UNIT PLAN

(As amended through June 12, 2008)

Section 1. EFFECTIVE DATE

The Board of Directors of Visteon Corporation have adopted this Non-Employee Director Stock Unit Plan, effective May 12, 2004, for the benefit of the non-employee directors of Visteon Corporation.

Section 2. DEFINITIONS

When used herein the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise:

(a) "Account" means the recordkeeping account maintained by the Company in the name of the Participant. An Account is established for record keeping purposes only and not to reflect the physical segregation of assets on the Participant's behalf, and may consist of such subaccounts or balances as the Committee may determine to be necessary or appropriate, including the following:

1. "Mandatory Deferral Subaccount" means the Visteon Stock Units that are credited to the Participant's Account as a result of the Participant's Mandatory Deferrals.

2. "Dividend Subaccount" means the Visteon Stock Units that are credited to the Participant's Account as a result of deemed dividends on Visteon Stock Units credited to the Participant's Account.

(b) "Administrative Committee" means the non-participating members of the Board.

(c) "Affiliate" means a person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the

Company, within the meaning of Code Sections 414(b) and (c); provided that Code Sections 414(b) and (c) shall be applied by substituting "at least fifty percent (50%)" for "at least eighty percent (80%)" each place it appears therein.

(d) "Board" means the Board of Directors of the Company.

(e) "Code" means the Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time.

(f) "Company" means Visteon Corporation, or any successor thereto.

(g) "Company Stock" means the common stock of the Company, par value $1.00.

(h) "Exchange" means the New York Stock Exchange.

(i) "Outside Director" means a member of the Board who is not an officer or a common-law employee of the Company or any subsidiary thereof.

(j) "Participant" means each Outside Director who has an Account under the Plan.

(k) "Plan" means the Visteon Corporation Non-Employee Director Stock Unit Plan, as amended from time to time.

(l) "Plan Year" means the period beginning on the effective date of the Plan and ending on December 31, 2004 and thereafter, the twelve month period beginning on January 1 and ending December 31 of each year.

(m) Separation from Service" means the date on which a Participant ceases to be a member of the Board of Directors of the Company (or the board of directors of any Affiliate), provided that such cessation constitutes a separation from service for purposes of Code Section 409A.

(n) "Visteon Stock Units" mean the hypothetical shares of Company Stock that are credited to a Participant's Account in accordance with Sections 4 and 5.

Section 3. ADMINISTRATION

(a) General Authority. The Administrative Committee shall have the full power and discretionary authority to: (1) interpret and administer the Plan and any instrument relating to or made under the Plan; (2) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (3) make any other determination, and take any other action, that the Administrative Committee deems necessary or desirable for the administration of the Plan. The decisions and determinations of the Administrative Committee need not be uniform and may be made differently among Participants, and shall be final, binding and conclusive on all interested parties.

(b) Recordkeeping. The Administrative Committee shall be responsible for maintaining all Accounts; provided that the Administrative Committee may in its discretion appoint or remove a third-party recordkeeper to maintain the Accounts as provided herein.

(c) Effectiveness of Elections. Any elections or beneficiary designations made under this Plan shall be effective only upon the delivery of the appropriate form to the Secretary of the Company and its acceptance by the Administrative Committee.

Section 4. MANDATORY DEFERRALS

(a) Mandatory Deferrals. On the day after the date of each regular annual meeting of stockholders of the Company, the Mandatory Deferral Account of each Participant who is then an Outside Director shall be credited with a number of additional Visteon Stock Units equal to the result obtained by (i) dividing (A) $70,000 by (B) the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on such date and (ii) rounding the quotient to four decimal places (each, a "Mandatory Deferral").

(b) Vesting. Each Participant shall at all times be 100% vested in his or her Mandatory Deferral Subaccount.

Section 5. DIVIDEND EQUIVALENTS

(a) Conversion to Visteon Stock Units. Any cash dividends that would have been payable in any month on the Visteon Stock Units credited to a Participant's Account had such units been actual shares of Company Stock shall be converted, for recordkeeping purposes, into whole and fractional Visteon Stock Units, with fractional units calculated to four decimal places, with the resulting Visteon Stock Units credited to the Participant's Dividend Subaccount. The conversion shall be accomplished by dividing the Participant's deemed dividends for the month by the average of the high and low prices at which a share of Common Stock shall have been sold regular way on the Exchange on the last day of such month on which the Exchange is open to transact trades.

(b) Vesting. Each Participant shall at all times be 100% vested in his or her Dividend Subaccount.

Section 6. DISTRIBUTIONS

(a) Distribution Date. Distribution of a Participant's vested Account shall be made or commence to be made on the later of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant's Separation from Service.

(b) Participant Distribution Elections. Distribution shall be made in the form or forms of distribution elected by the Participant. A Participant's distribution election with respect to any Plan Year applies to both the Mandatory Deferrals made on behalf of the Participant during that Plan Year, and to all dividend equivalent credits made with respect to those Mandatory Deferrals. The Participant may elect to have a distribution made either in (i) a single sum, or (ii) ten (10) annual installments. A Participant who fails to make any distribution election shall be deemed to have elected the single sum payment option.

1. Pre-2009 Plan Year Deferral Balances. The Participant may make a separate distribution election with respect to each Plan Year; provided that a Participant's election with respect to a Plan Year shall continue in effect

with respect to each subsequent Plan Year unless the Participant has submitted (and the Administrative Committee has received) a modified distribution election prior to January 1 of the Plan Year; provided that with respect to Mandatory Deferrals in 2004, a Participant may make an election regarding distribution within thirty (30) days after initial stockholder approval of the Plan. On or before December 31, 2008, a Participant may further revise his or her distribution election with respect to any Plan Year; provided that a revised distribution election made during calendar years 2006, 2007 or 2008 with respect to any Plan Year will not be given effect, and the Participant's immediately prior valid distribution election with respect to such Plan Year will continue in effect, if the revised election would operate to cause amounts that would otherwise be distributable in the calendar year in which the revised distribution election is made to be deferred for distribution in a subsequent calendar year, or to cause amounts that would otherwise be distributable in a subsequent calendar year to become distributable in the calendar year in which the revised election is made. A Participant's distribution elections as in effect on December 31, 2008 for Plan Year ending on or before December 31, 2008, shall be irrevocable.

2. Post-2008 Plan Year Deferral Balances. The Participant may make a separate distribution election with respect to each Plan Year. Such election shall be effective on the first day of the Plan Year following the date it is received by the Administrative Committee; provided that to the extent permitted under Code Section 409A, a Participant may make a distribution election within 30 days of first becoming a Participant with respect to the Plan Year in which participation commences. A distribution election, once becoming effective with respect to a Plan Year, shall be irrevocable with respect to that Plan Year. An election shall continue in effect with respect for subsequent Plan Years (and, with respect to any Plan Year, shall become irrevocable on January 1 of that Plan Year) unless modified by the Participant in accordance with this Section 6. A

Participant may modify an existing election effective on the first day of the Plan Year following the date on which the revised election is received by the Administrative Committee.

(c) Distribution Procedures.

1. Single Sum Distribution. If the Participant has elected the single sum distribution option, the Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of Company Stock equal to the number of Visteon Stock Units credited to the Participant's Account (and cash in lieu of any fractional unit) for which such election is in effect; provided that the Organization and Compensation Committee of the Board may direct that all or any part of the Participant's distribution be satisfied in cash rather than by a distribution of Company Stock, in which case the cash payment shall be determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

2. Installment Distributions. If the Participant has elected the installment distribution option, the first installment will be paid on the date specified in Section 6(a). Each subsequent installment will be paid on January 15 of each succeeding calendar year during the installment period. The annual installment distribution amount for any year shall be initially determined on a share basis by dividing the number of Visteon Stock Units credited to the Participant's Account as of January 1 of the year for which the distribution is being made and for which such an election is in effect by the number of installment payments remaining to be made, and then rounding the quotient obtained for all but the final installment to the next lowest whole number. The Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of

Company Stock equal to the number of Visteon Stock Units that are being redeemed as part of the installment (and cash in lieu of any fractional unit); provided that the Organization and Compensation Committee of the Board may direct that all or any part of the installment distribution be satisfied in cash rather than by a distribution of Visteon Stock, in which case the cash payment shall be determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

(d) Securities Restrictions. With respect to any shares of Company Stock distributed to a Participant, the Participant will not sell or otherwise dispose of such Company Stock except pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Act"), and applicable state securities laws, which the Company may but shall not be required to file, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and a legend may be placed on the certificates for the Company Stock to such effect. In addition, in the event of any underwritten public offering of the Company's securities pursuant to an effective registration statement filed under the Act and upon the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any shares of Company Stock (other than those included in the registration) acquired under this Plan without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters.

(e) Timing of Distributions. Any distribution that is to be made on a specified date may be made within 31 days following such date; provided that the Participant is not permitted, directly or indirectly, to specify the taxable year of the payment.

Section 7. BENEFICIARY

(a) Death Benefits. If a Participant dies before his or her entire Account has been distributed, then the remainder of the Participant's Account shall be distributed in a lump sum to the Participant's beneficiary on the later to occur of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant's death. Any distribution that is to be made on a specified date may be made within 31 days following such date; provided that the beneficiary is not permitted, directly or indirectly, to specify the taxable year of the payment.

(b) Designation of Beneficiary. Each Participant may designate one or more beneficiaries in such form and manner specified by the Administrative Committee, which beneficiary shall be entitled to receive the balance of the Participant's Account as provided under subsection (a) above in the event of the Participant's death. The Participant may from time to time revoke or change the beneficiary without the consent of any prior beneficiary by filing a new designation with the Secretary of the Company. The last such designation received by the Secretary of the Company shall be controlling. If no beneficiary designation is in effect at the time the Participant dies, or if no designated beneficiary survives the Participant, the Participant's beneficiary shall be the Participant's estate.

Section 8. SOURCE OF BENEFITS

Benefits accumulated under the Plan shall constitute an unfunded, unsecured promise by the Company to provide such payments in the future, as and to the extent such amounts become payable. Benefits attributable to service as an Outside Director shall be paid from the general assets of the Company, and no person shall, by virtue of this Plan, have any interest in such assets, other than as an unsecured creditor of the Company.

Section 9. NON-ALIENATION

Except as otherwise expressly provided by this Plan, neither the Participant nor his or her beneficiary or beneficiaries, including, without limitation, the Participant's executors and administrators, heirs, legatees, distributees, and any other person or persons claiming any benefits through the Participant under this Plan shall have any right to assign, transfer, pledge, hypothecate, sell, transfer, alienate and encumber or otherwise convey the right to receive any benefits hereunder, which benefits and the rights thereto are expressly declared to be nontransferable. The right to receive benefits under this Plan also shall not be subject to execution, attachment, garnishment, or similar legal, equitable or other process for the benefit of the Participant's or beneficiary's creditors. Any attempted assignment, transfer, pledge hypothecation or other disposition of the Participant's or beneficiary's rights to receive benefits under this Plan or the levy of any attachment, garnishment or similar process thereupon, shall be null and void and without effect.

Section 10. CHANGE IN CONTROL

In the event of a Change in Control Event (as defined in Code Section 409A) with respect to the Company, the value of the Participant's Account, determined as of the date of the Change in Control Event, shall be immediately paid to the Participant in a single sum cash payment, notwithstanding any prior distribution election made by the Participant.

Section 11. TERM, TERMINATION AND AMENDMENT

(a) Unless terminated earlier pursuant to subsection (b) below, this Plan shall terminate on May 12, 2014.

(b) The Board reserves the right to amend or terminate this Plan at any time; provided that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A, and the authority of the Administrative Committee to administer the Plan shall extend beyond the date of the Plan's termination; and provided further that no amendment or termination of the Plan shall adversely affect the rights of any Participant or beneficiary to benefits then accrued without the written consent of the affected Participant or beneficiary.

Section 12. MISCELLANEOUS

(a) Governing Law. This Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to the conflicts of law principles thereof.

(b) Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person, or under any law deemed applicable by the Administrative Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrative Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Plan shall remain in full force and effect.

(c) Successors and Assigns. The Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(d) Transactions Affecting Visteon Common Stock. In the event of any merger, share exchange, reorganization, consolidation, recapitalization, stock dividend, stock split or other change in corporate structure of the Company affecting Company Stock, the Administrative Committee shall make appropriate equitable adjustments with respect to the Visteon Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such Units are valued and/or distributed, as the Administrative Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.

(e) Permitted Delay in Payment. If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms of Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

EXHIBIT 12.1

Visteon Corporation and Subsidiaries
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in millions)

	Six Months Ended June 30, 2008	For the Years Ended December 31, 2007	2006	2005	2004
Earnings					
Income/(loss) before income taxes, minority interest, discontinued operations and change in accounting and extraordinary item	$ (16)	$ (285)	$ (89)	$ (165)	$ (540)
Earnings of non-consolidated affiliates	(30)	(47)	(33)	(25)	(45)
Cash dividends received from non-consolidated affiliates	—	71	24	48	42
Fixed charges	123	249	212	185	140
Amortization of capitalized interest, net of interest capitalized	3	6	6	4	1
Earnings	$ 80	$ (6)	$ 120	$ 47	$ (402)
Fixed Charges					
Interest and related charges on debt	$ 112	$ 226	$ 190	$ 158	$ 109
Portion of rental expense representative of the interest factor	15	27	23	27	31
Fixed charges	$ 127	$ 253	$ 213	$ 185	$ 140
Ratios					
Ratio of earnings to fixed charges *	N/A	N/A	N/A	N/A	N/A

* For the six months ended June 30, 2008 and year ended December 31, 2007, 2006, 2005 and 2004 fixed charges exceed earnings by $47 million, $259 million, $93 million, $138 million and $542 million, respectively, resulting in a ratio of less than one.

Ethics and Integrity Policy

An Ethics Guide for Employees of Visteon Corporation

Integrity	Safety
Customer	People
Innovation	Profitability
Citizenship	

Leading by Example

Visteon has made great strides shaping into a lean and productive company through restructuring efforts, improving operations and growing our business. This transformation is only made possible through the diligence and a concerted effort of our greatest asset – our employees. Despite the challenging environment in which we operate, one thing must remain steadfast – our employees' commitment to maintaining the highest degree of integrity and ethical behavior, and to our values as outlined in this policy. This applies to employees at all levels, as well as members of Visteon's board of directors. I am proud not only that Visteon is making progress, but that we are achieving it by doing things the right way in all aspects of our business.

Every day – whether at work or outside the workplace – our actions create an impression with our customers, our colleagues and our communities. How we conduct ourselves determines how we are viewed. At Visteon, we pride ourselves on operating under the guiding principles that we call our values. They include: innovation, safety, customer, people, profitability and citizenship. Additionally and most importantly, the one value that transcends all others, is integrity.

I urge you to review these important principles outlined in this policy and reflect on how they impact you personally and in your work. I'm confident that by conducting ourselves with integrity, we can maintain high ethical standards while achieving solid business results that will lead to Visteon's success.

Sincerely,

Donald Stebbins
President and CEO

Visteon Values

INNOVATION

Our people’s creativity and their ability to anticipate the market and leverage technology will give us a competitive advantage.

INTEGRITY

We demand the highest ethical standards of ourselves and others.

SAFETY

We will not compromise in providing a safe work environment for our employees and safe products for our customers.

CUSTOMERS

We will earn the trust and satisfaction of our customers by exceeding their expectations.

PEOPLE

We will create an inclusive work environment where all employees can contribute to their fullest capability.

PROFITABILITY

We are committed to providing value to our shareholders by building a high-performing business.

CITIZENSHIP

We will act to protect the environment and add value to the community.

Visteon Behaviors

Foster a Safe and Healthy Environment

Provide customer solutions that foster safety and environmental health, and safeguard others' safety above all other priorities.

Demonstrate Business Knowledge

Demonstrate an in-depth understanding of our business, our markets, our internal and external customers, competitors, partners and suppliers.

Demonstrate Accountability

Take action, take responsibility and demonstrate integrity.

Build a Stronger Visteon

Teach, learn and respect others, recognize individual and team contributions, and value diversity.

Communicate Effectively

Build an environment that encourages open dialogue and communicate clearly and directly.

Ethics and Integrity Policy

Employees have an affirmative obligation to report known or suspected violations of the Ethics and Integrity Policy.

Diversity and Inclusion

Visteon is committed to creating and maintaining an environment in which all employees are treated with respect and differences are highly valued.

At Visteon, we work to foster an inclusive environment that provides equal opportunity to our employees, customers, suppliers and the community at large. By creating a corporate culture that is free of harassment or discriminatory treatment of any form, every employee can have the opportunity to contribute fully to the business success of Visteon.

Safety, Health and the Environment

At Visteon, the health and safety of each individual is of primary importance.

Visteon is committed to practices that generate safe workplace actions, conditions and procedures, and we continually work to develop and maintain a safe and healthy operating environment. Visteon also is a responsible corporate citizen, protecting and conserving the natural environment. We comply with all accepted environmental standards – meeting and often exceeding applicable regulatory and legal requirements. We continually are improving our environmental performance, working to minimize the creation of solid and liquid waste and eliminating other practices that could have a harmful impact on the environment. We describe our commitment to social responsibility and sustainable development in a Corporate Sustainability Report that can be found on our corporate Web site at www.visteon.com.

In addition, we encourage and support the involvement of our employees in local environmental issues as they strive to make a difference within our communities through volunteerism and philanthropy.

Product Safety and Quality

Because all our actions can impact Visteon products and services, we all share the commitment to, and responsibility for, safety and quality in the products we make.

Visteon is committed to design, engineer and manufacture products that meet or exceed all applicable laws, regulations, voluntary standards and industry practices. Acknowledging the trust customers and consumers place in us, we strive to produce high-quality products and services with a commitment to continuous improvement in product performance. Through this dedication, we can create products that consistently earn high marks for safety.

Company Property and Information

All employees are responsible for safeguarding Visteon's assets from misuse or misappropriation, whether those assets are intangible, such as business information and intellectual property, or tangible, such as equipment or supplies.

Company records, property, technical information, communications and business opportunities constitute valuable assets that can be critical to Visteon's performance and competitive advantage. These materials are the property of the company and – like all assets – should be safeguarded against misuse or misappropriation and used only to further Visteon's business objectives.

Safeguarding these assets includes taking the appropriate steps to prevent and identify accidental disclosure. These responsibilities and restrictions apply equally to electronic information methods (e-mail, Internet, etc.) and prohibit accessing or creating any electronic communications that contradict Visteon's personnel policy.

Books, Records and Filings

Employees are required to keep accurate records and provide full, fair, accurate, timely and understandable disclosures in the periodic reports filed by the company with regulators and in our public communications.

Visteon's relationship with its shareholders and the investment community is built upon our reputation for honesty and integrity in financial and related reporting. We must make every effort to ensure that information contained in documents filed by the company with governmental or regulatory bodies, including the Securities and Exchange Commission, and in other company communications is complete, fair, accurate, timely and understandable. In addition, we are each required to ensure the accuracy of any records we develop or review, including financial records, expense reports and engineering or other technical documents.

It is Visteon’s policy to cooperate in government investigations and inquiries. All subpoenas, summonses, information requests relating to legal proceedings, or other inquiries or communications from a law enforcement officer or agency, a court or a lawyer should be referred immediately to the Legal Department. This includes interview requests, document requests or any other requests about an investigation or litigation.

Destroying or altering a document with the intent to impair the document’s integrity or availability for use in any government investigation or legal proceeding is a crime. Documents relevant to any pending, threatened, or anticipated litigation, investigation, or audit shall not be destroyed for any reason. Any belief that Company records are being improperly altered, destroyed or otherwise treated inconsistently with Visteon’s Record Retention Policy should be reported to the Legal Department.

In addition to being a violation of this policy, efforts to mislead or coerce independent auditors or members of the internal audit staff concerning issues related to audit, accounting or financial disclosure can have serious legal consequences, including criminal penalties.

Intellectual Property, Confidentiality and Privacy

Visteon is often entrusted with confidential or proprietary information by customers, suppliers and other business contacts. This information should be safeguarded in the same manner as Visteon information.

Inventions, ideas and other forms of intellectual property are a vital part of Visteon’s success. As a result, we are diligent about protecting valuable company technology through patents, trade secret protection, copyrights, trademarks or other such methods. Visteon is equally committed to avoiding the unauthorized use of the intellectual property of other companies or individuals.

Visteon also protects corporate data and knowledge through a comprehensive set of Global IT Policies. These policies provide guidance on safeguarding the company’s business information and assets from unauthorized access or disclosure and ensure that information transmitted over our communication systems is properly controlled.

Insider Trading

By protecting confidential and proprietary information from unauthorized disclosure, we not only protect valuable company assets – we also help ensure compliance with insider trading laws.

One example of a misuse of Visteon information and a violation of the law is insider trading. Insider trading occurs when an individual uses material nonpublic information acquired in the course of employment to buy or sell stock or other securities. It is unethical and unlawful to use such information or to disclose it to others (such as family members or friends) who might use it in buying or selling Visteon securities or the securities of any other company. Also prohibited are "tips" about a company with which Visteon might have a pending transaction, such as an acquisition or a strategic alliance, if information about the transaction is not yet known to the public.

Conflicts of Interest

Employees should avoid conflicts between personal and Visteon interests. If actual or apparent conflicts are unavoidable, seek guidance on the best course of action and fully disclose any transaction or relationship that reasonably could be expected to give rise to a conflict.

Employees are expected to exercise good judgment and the highest ethical standards in our activities on behalf of Visteon and also to be mindful that our activities outside the company impact how Visteon is viewed by others. We should avoid any actions, investments or interests which reflect unfavorably on ourselves or the company. More specifically, employees should avoid any action that has the potential or appearance of impacting the company adversely or interfering with our objectivity about what is in Visteon's best interest.

Examples of potential conflicts of interest include but are not limited to:

- Having more than a 2.5 percent financial interest in a competitor, customer, supplier or other for-profit entity doing business with Visteon;
- Outsourcing work to a company in which a relative has a position of leadership or stands to make a monetary gain;
- Having a consulting, managerial or employment relationship with a competitor, customer, supplier or other entity doing business with the company;
- Acquiring property rights that Visteon has or may reasonably have an interest in;
- Accepting gifts, entertainment or other favors of more than nominal value (which in no case should exceed a fair market value of $50.00 U.S.) from those who do business – or seek to do business – with Visteon;
- Accepting cash, product or service discounts, loans or co-signature arrangements for you or your family from such individuals;
- Accepting offers to pay for travel, lodging

or similar accommodations;

- Soliciting any gifts, entertainment or other favors;
- Any form of adult entertainment.

Employees also must be aware of customer and supplier policies regarding gifts and entertainment, and abide by such policies.

Visteon recognizes that some forms of corporate-sponsored entertainment can be a legitimate way to build stronger working relationships. Keep in mind that business entertainment should be legal, reasonable, infrequent and justifiable. A modest business lunch or dinner, which is occasionally picked up by one party, is generally acceptable, but a standing lunch or dinner date in which the supplier always pays is not. Season tickets to a sporting event also would not be appropriate, but an occasional invitation to such events is acceptable. Gifts of alcohol are not allowed in many countries. Any questions regarding the appropriateness of a gift or favor, or an offer of entertainment should be directed to the Legal Department.

Fair Dealing and Competition

We seek to compete strongly and deal fairly. We avoid taking unfair advantage through manipulation, theft, concealment, abuse of confidential information, misrepresentation or other unfair practices.

Visteon policy, as well as antitrust laws, prohibits price fixing, unfair competition or any other activity which unfairly impacts or restricts competition in the marketplace. Seeking or receiving competitive information or gaining a competitive advantage through illegal means is prohibited. Activities that might give rise to violations of antitrust laws and a breach of Visteon policy include, but are not limited to:

- Discussions with competitors about prices, costs, production levels, bids or bidding practices, territories, limits on import or export, distribution channels or customers;
- Restrictions on a customer’s ability to sell or lease a product at or above price.

Antitrust and fair dealing issues can be very complex. Determining what action is permissible and what is improper can be highly technical and dependent on market structure. Whenever any doubt exists, please contact the Legal Department.

International Business and Governmental Regulations

It is expected that all employees, including agents and representatives of Visteon, will comply with all applicable laws in every country in which Visteon does business, as well as with all applicable laws against discrimination *and harassment and laws prohibiting child and forced labor.*

One of the most significant laws that will be encountered by persons involved in government or international business markets is the Foreign Corrupt Practices Act (FCPA). The FCPA applies to all employees or other representatives of Visteon anywhere in the world where Visteon does business. The FCPA prohibits offers of, or payments to, foreign officials, political parties or candidates for political office, to obtain preferential governmental treatment. This prohibition extends beyond monetary payments and includes offering anything of value not only to government officials, but also to their representatives or family members. Under certain limited circumstances, nominal payments to facilitate government services to which Visteon is legally entitled are not in violation of the FCPA.

Even to the extent that such payments may be legal and customary in a particular country in which Visteon does business, they may not be made without advance approval of the Legal Department. Legal Department approval is also required whenever Visteon employees or other representatives are contemplating giving gifts or political or charitable contributions to government representatives or foreign officials.

Several laws restrict the countries in which Visteon can operate, as well as the information or products that it can export. Before making a business entry into any new country, consult the Legal Department.

Summary

Integrity is about people doing the right thing – not looking for personal gain or to reward others by taking advantage of ambiguity or uncertainty in the law or in this policy. We are each expected to not only champion the policy, but also to protect it – questioning and reporting any practice or activity that conflicts, or appears to conflict, with the company’s ethical standards. Those who report suspected violations of this policy will help further the business interests of Visteon and ensure that the public continues to regard Visteon as a company committed to integrity.

Visteon encourages the communication of concerns relating to the lawful and ethical conduct of business, and financial reporting, accounting practices, internal controls or audits. It is Visteon’s policy to protect those who communicate bona fide concerns from any retaliation for such reporting. Confidential and anonymous mechanisms for reporting concerns are available and are described below.

All employees, including company executives, officers and senior level managers, as well as members of Visteon’s board of directors, are expected to conduct their activities in compliance with this policy. Those who engage in conduct that is contrary to the ethical standards set forth in the policy may be subject to discipline, up to and including, termination of employment. In addition, if circumstances warrant, the company may notify the appropriate authorities.

If you are in a situation that you believe may involve or lead to a violation of this policy, you have a duty to disclose the situation and seek guidance.

Employees who have questions or concerns regarding compliance should discuss them with their managers, Human Resources, or John Donofrio, senior vice president, general counsel and chief compliance officer.

A global hotline is available as a resource for resolving any questions or concerns employees might have about Visteon's ethical standards and for communicating with the audit committee of Visteon's board of directors if discussions with management, Human Resources or the Legal Department have not resulted in a satisfactory resolution, or if there is concern about using such avenues of communication.

This policy constitutes the Company's Code of Business Conduct and Ethics in compliance with the requirements of the New York Stock Exchange and Section 406 of the Sarbanes Oxley Act of 2002 and is designed to promote honest, ethical and lawful conduct by all directors and employees (including officers) of the Company. Any waivers of this policy for directors and executive officers may be made only by the Board of Directors. Any such waivers shall be promptly disclosed to shareholders as required by applicable law and/or stock exchange regulation.

Call-out box:

Reports of policy violations or suspected violations can be made by calling the appropriate Visteon's ethics hotline based on country of origin.

Country	Dialing Pattern
United States	866-218-5326
Canada	866-218-5326
Argentina	0-800-444-1034
Australia	1-800-67-6184
Brazil	0800-891-3682
Czech Republic	800-142-551
China	10-800-711-0332
China	10-800-110-0332
Germany	0-800-180-0783
Hungary	06-800-15-294
Japan	00531-11-4853
Japan (ITJ)	0044-22-112455
Korea (KTA)	00798-1-1-008-1450
Korea (DACOM)	00308-11-0459
Mexico	001-866-218-6326
Philippines	1-800-1-111-0912
Portugal	800-8-11129
Spain	###-##-####
Sweden	###-##-####
Thailand	001-800-11-008-1450
Taiwan	00801-10-3989
United Kingdom (BT)	0800-917-0538
United Kingdom (MCL)	0800-056-4513
Italy	800-784872
India	000-800-100-1042

Visteon Corporation

One Village Center Drive

Van Buren Township, MI 48111 USA

June 2008

Exhibit 15.1

July 30, 2008

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We are aware that our report dated July 30, 2008 on our review of interim financial information of Visteon Corporation (the "Company") for the three and six month periods ended June 30, 2008 and June 30, 2007 included in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2008 is incorporated by reference in its Registration Statements on Form S-3 (No. 333-85406) dated April 2, 2002, and Form S-8 (Nos. 333-39756, 333-39758, 333-40202, 333-87794, 333-115463 and 333-145106) dated June 21, 2000, June 21, 2000, June 26, 2000, May 8, 2002, May 13, 2004 and August 3, 2007, respectively. .

Very truly yours,

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

EXHIBIT 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Donald J. Stebbins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Visteon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2008

/s/Donald J. Stebbins
Donald J. Stebbins
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, William G. Quigley III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Visteon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2008

/s/William G. Quigley III
William G. Quigley III
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), I, the undersigned President and Chief Executive Officer of Visteon Corporation (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2008 (the “Report”) fully complies with the requirements of Section 13(a) of the Exchange Act and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Donald J. Stebbins

Donald J. Stebbins

July 30, 2008

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), I, the undersigned Executive Vice President and Chief Financial Officer of Visteon Corporation (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2008 (the “Report”) fully complies with the requirements of Section 13(a) of the Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/William G. Quigley III
William G. Quigley III

July 30, 2008