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 September 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 October 24, 2008, the Registrant had outstanding 130,562,025 shares of common stock, par value $1.00 per share.

Exhibit index located on page number 60.

VISTEON CORPORATION AND SUBSIDIARIES
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 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 September 30, 2008, and the related consolidated statements of operations for each of the three-month and nine-month periods ended September 30, 2008 and September 30, 2007 and the consolidated statements of cash flows for the nine-month periods ended September 30, 2008 and September 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, of 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
October 30, 2008

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(Dollars in Millions, Except Per Share Data)			
Net sales				
Products	$ 2,010	$ 2,410	$ 7,530	$ 8,001
Services	100	136	345	407
	2,110	2,546	7,875	8,408
Cost of sales				
Products	1,968	2,313	7,064	7,635
Services	99	134	342	402
	2,067	2,447	7,406	8,037
Gross margin	43	99	469	371
Selling, general and administrative expenses	138	131	442	445
Restructuring expenses	42	27	117	89
Reimbursement from Escrow Account	39	27	81	109
Asset impairments and loss on divestitures	19	14	70	65
Operating loss	(117)	(46)	(79)	(119)
Interest expense	48	59	160	163
Interest income	10	17	38	40
Equity in net income of non-consolidated affiliates	5	11	35	34
Loss from continuing operations before income taxes and minority interests	(150)	(77)	(166)	(208)
Provision for income taxes	31	20	131	65
Minority interests in consolidated subsidiaries	7	12	38	32
Net loss from continuing operations	(188)	(109)	(335)	(305)
Loss from discontinued operations, net of tax	—	—	—	24
Net loss	$ (188)	$ (109)	$ (335)	$ (329)
Basic and Diluted Loss Per Share:				
Continuing operations	$ (1.45)	$ (0.84)	$ (2.59)	$ (2.36)
Loss from discontinued operations, net of tax	—	—	—	(0.18)
Net loss	$ (1.45)	$ (0.84)	$ (2.59)	$ (2.54)

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30 2008	December 31 2007
	(Dollars in Millions)	
ASSETS		
Cash and equivalents	$1,133	$1,758
Accounts receivable, net	1,020	1,150
Interests in accounts receivable transferred	237	434
Inventories, net	429	495
Other current assets	314	235
Total current assets	3,133	4,072
Property and equipment, net	2,486	2,793
Equity in net assets of non-consolidated affiliates	226	218
Other non-current assets	96	122
Total assets	$5,941	$7,205
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Short-term debt, including current portion of long-term debt	$ 97	$95
Accounts payable	1,331	1,766
Accrued employee liabilities	271	316
Other current liabilities	319	351
Total current liabilities	2,018	2,528
Long-term debt	2,492	2,745
Postretirement benefits other than pensions	584	624
Employee benefits, including pensions	539	530
Deferred income taxes	148	147
Other non-current liabilities	412	428
Minority interests in consolidated subsidiaries	278	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	(4,358)	(4,016)
Accumulated other comprehensive income	169	275
Other	(6)	(13)
Total shareholders' deficit	(530)	(90)
Total liabilities and shareholders' deficit	$5,941	$7,205

See accompanying notes to the consolidated financial statements.

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

	Nine Months Ended September 30	
	2008	2007
	(Dollars in Millions)	
Operating activities		
Net loss	$ (335)	$ (329)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	327	346
Asset impairments and loss on divestitures	70	77
Gain on asset sales	(15)	(16)
Equity in net income of non-consolidated affiliates, net of dividends remitted	(30)	1
Other non-cash items	(43)	(29)
Changes in assets and liabilities:		
Accounts receivable and retained interests	204	25
Inventories	(16)	(39)
Accounts payable	(259)	(99)
Other assets and liabilities	(56)	25
Net cash used by operating activities	(153)	(38)
Investing activities		
Capital expenditures	(230)	(232)
Proceeds from divestitures and asset sales	65	159
Other	5	(6)
Net cash used by investing activities	(160)	(79)
Financing activities		
Short-term debt, net	24	(1)
Proceeds from issuance of debt, net of issuance costs	185	497
Principal payments on debt	(78)	(27)
Repurchase of unsecured debt securities	(337)	—
Other, including overdrafts	(62)	(17)
Net cash (used by) provided from financing activities	(268)	452
Effect of exchange rate changes on cash	(44)	30
Net (decrease) increase in cash and equivalents	(625)	365
Cash and equivalents at beginning of year	1,758	1,057
Cash and equivalents at end of period	$ 1,133	$ 1,422

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 35,500 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 ("ACH"), an indirect, wholly-owned subsidiary of the Company to Ford ("ACH Transactions").

During the third quarter of 2008, the Company, Ford and ACH amended certain agreements initially completed in connection with the ACH Transactions, including the Escrow Agreement, dated as of October 1, 2005 (the "Escrow Agreement"), among Ford, the Company and Deutsche Bank Trust Company Americas; the Reimbursement Agreement, dated as of October 1, 2005 (the "Reimbursement Agreement"), between Ford and the Company; the Master Services Agreement, dated as of September 30, 2005, as amended, between the Company and ACH (the "Master Services Agreement"); the Visteon Salaried Employee Lease Agreement, dated as of October 1, 2005, as amended, between the Company and ACH (the "Visteon Salaried Employee Lease Agreement"); and the Intellectual Property Contribution Agreement, dated as of October 1, 2005, as amended, among the Company, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and ACH (the "Intellectual Property Contribution Agreement").

- The "Amended Escrow Agreement" — The Escrow Agreement was amended to, among other things, provide that Ford contribute an additional $50 million into the escrow account, and to provide that such additional funds shall be available to the Company to fund restructuring and other qualifying costs, as defined within the Escrow Agreement, on a 100% basis. The additional $50 million was funded into the escrow account in August 2008.
- The "Amended Reimbursement Agreement" — The Reimbursement Agreement was amended and restated to, among other things, require Ford to reimburse the Company in full for certain severance expenses and other qualifying termination benefits, as defined in such agreement, relating to the termination of salaried employees who were leased to ACH. Previously, the amount required to be reimbursed by Ford was capped at $150 million, of which the first $50 million was to be funded in total by Ford and the remaining $100 million was to be matched by the Company. Any unused portion of the $150 million as of December 31, 2009 was to be deposited into the escrow account governed by the Escrow Agreement. The Reimbursement Agreement was amended to eliminate the $150 million cap as well as the Company's obligation to match any costs during the term of the agreement. Further, Ford's obligation to deposit remaining funds into the escrow account, which was established pursuant to the Escrow Agreement, was eliminated.
- The "Amended Master Services Agreement" — The Master Services Agreement was amended to, among other things, extend the term that Visteon will provide certain services to ACH, Ford and others from December 31, 2009 to January 1, 2011.
- The "Amended Visteon Salaried Employee Lease Agreement" — The Visteon Salaried Employee Lease Agreement was amended to, among other things, extend the term that ACH may lease salaried employees of the Company from December 31, 2010 to December 31, 2014.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1. Description of Business and Company Background — (Continued)

- The "Amended Intellectual Property Contribution Agreement" — The Intellectual Property Contribution Agreement was amended to, among other things, clarify the availability for use by ACH of certain patents, design tools and other proprietary information.

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 September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Net Sales				
Products	$ 643	$ 893	$ 2,631	$ 3,171
Services	$ 96	$ 132	$ 331	$ 400

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Accounts receivable, net	$ 243	$ 277
Postretirement employee benefits	$ 116	$ 121

Additionally, as of September 30, 2008 and December 31, 2007, the Company transferred approximately $67 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.

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.

NOTE 2. Basis of Presentation — (Continued)

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 October 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 157-3 ("FSP FAS 157-3"), "Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active," which clarifies the application of Statement of Financial Accounting Standard No. 157 ("SFAS 157"), "Fair Value Measurements," in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS 157-3 became effective upon issuance and was adopted by the Company for the reporting period ending September 30, 2008 without material impact on its consolidated financial statements.

In September 2008, the FASB issued FASB Staff Position No. FAS 133-1 and FIN 45-4 ("FSP FAS 133-1 and FIN 45-4"), "Disclosures about Credit Derivatives and Certain Guarantees, an amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161." This FSP requires disclosure of information about credit derivatives by sellers of credit derivatives and disclosure of the current status of the payment/performance risk of a guarantee. This FSP is effective for financial statements issued for reporting periods ending after November 15, 2008.

NOTE 2. Basis of Presentation — (Continued)

In March 2008, the 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 Statement of Financial Accounting Standards No. 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, “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 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.

NOTE 3. Divestitures

2008 Divestitures

On August 29, 2008, the Company completed the sale of its Interiors operation located in Halewood, UK, consisting of the facility and associated assets including purchase and supply contracts (the “Halewood Divestiture”) to International Automotive Components, Ltd. During 2007, the Halewood, UK facility operated on a break-even basis on sales of approximately $150 million. The Company recorded losses of $2 million in connection with the Halewood Divestiture during the third quarter of 2008.

NOTE 3. Divestitures — (Continued)

On July 7, 2008, Visteon UK Limited, an indirect, wholly-owned subsidiary of the Company, sold the entire share capital of Visteon Swansea Limited, a company incorporated in England and a wholly-owned subsidiary of Visteon UK 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.

The Company recorded losses of approximately $48 million in connection with this transaction, of which approximately $13 million was reimbursed from the escrow account established pursuant to the Escrow Agreement. 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 were recorded in the second quarter of 2008 along with $13 million of escrow reimbursement. The remaining losses of $16 million were related to working capital adjustments recorded during the third quarter of 2008 in connection with the July 7, 2008 transaction closing date.

During the first quarter of 2008, the Company sold its North America aftermarket operations including facilities located in Sparta, Tennessee and Reynosa, Mexico where the Company manufactured starters and alternators, radiators, compressors and condensers and also remanufactured steering pumps and gears (the "NA Aftermarket Divestiture"). 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 losses of $40 million in connection with the NA Aftermarket Divestiture.

2007 Divestitures

During the third quarter of 2007, the Company completed the sale of its Visteon Powertrain Control Systems India ("VPCSI") operation located in Chennai, India. The VPCSI operation manufactured starters and alternators for global automotive manufacturers. The VPCSI divesture did not result in the complete exit of any of the affected product lines.

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.

NOTE 3. Divestitures — (Continued)

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 nine-month period ended September 30, 2007. A summary of the results of discontinued operations is provided in the table below.

	Nine Months Ended September 30, 2007 (Dollars in Millions)
Net product sales	$ 50
Cost of sales	63
Selling, general and administrative expenses	1
Asset impairments	12
Restructuring expenses	10
Reimbursement from escrow account	12
Loss from discontinued operations, net of tax	$ (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. It is possible that actual cash restructuring costs could vary significantly from the Company's current estimates resulting in unexpected costs in future periods.

2008 Restructuring Actions

In September 2008, the Company commenced a program designed to fundamentally realign, consolidate and rationalize the Company's administrative organization structure on a global basis through various voluntary and involuntary employee separation actions. Related employee severance and termination benefit costs of $10 million were recorded during the three months ended September 30, 2008 associated with approximately 200 salaried employees in the United States, for which severance and termination benefits were deemed probable and estimable. The Company estimates additional costs of approximately $35 million related to this global program in future periods when elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change. Additionally, the Company recorded $8 million of employee severance and termination benefit costs associated with approximately 820 hourly and 60 salaried employees at a North American Climate facility. As of September 30, 2008, restructuring reserves related to these programs were approximately $7 million.

NOTE 4. Restructuring Activities — (Continued)

The Company also continued to execute actions under the previously announced multi-year improvement plan, incurring restructuring expenses of $24 million during the third quarter of 2008. Significant actions under the multi-year improvement plan, include the following:

- $15 million of employee severance and termination benefit costs associated with approximately 130 employees to reduce the Company's salaried workforce in higher cost countries.
- $6 million of employee severance and termination benefit costs associated with approximately 40 employees at a European Interiors facility.

The Company currently estimates that the total cost associated with the multi-year improvement plan will be approximately $475 million. The Company has incurred $373 million in cumulative restructuring costs related to the multi-year improvement plan including $154 million, $125 million, $63 million and $31 million for the Other, Interiors, Climate and Electronics product groups, respectively. As of September 30, 2008, restructuring reserves related to the multi-year improvement plan are approximately $60 million.

Restructuring Reserves

Restructuring reserves are recorded in "Other current liabilities" on the Company's consolidated balance sheets as of September 30, 2008 and December 31, 2007, respectively. The following is a summary of the Company's consolidated restructuring reserves and related activity as of and for the nine months ended September 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
Expenses	8	8	—	26	42
Currency exchange	(6)	—	—	—	(6)
Utilization	(13)	(9)	(2)	(41)	(65)
September 30, 2008	$ 50	$ 1	$ 5	$ 11	$ 67

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 for the three and nine-month periods ended September 30, 2008 and 2007, respectively. Utilization for the three months ended September 30, 2008 includes $39 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 $8 million of payments for contract termination, equipment relocation and other costs.

NOTE 4. Restructuring Activities — (Continued)

Amended Escrow Agreement

Pursuant to the Escrow Agreement, 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. In August 2008 and pursuant to the Amended Escrow Agreement, Ford contributed an additional $50 million into the escrow account. The Amended Escrow Agreement provides that such additional funds are available to fund restructuring and other qualified costs on a 100% basis.

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 $200 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 September 30, 2008	Nine Months Ended September 30, 2008	Inception through September 30, 2008
		(Dollars in Millions)	
Beginning escrow account available	$ 97	$ 144	$ 400
Add: Amended Escrow Agreement funding	50	50	50
Add: Investment earnings	1	2	34
Deduct: Disbursements for restructuring costs	(31)	(79)	(367)
Ending escrow account available	$ 117	$ 117	$ 117

Approximately $23 million and $22 million of amounts receivable from the escrow account were classified as "Other current assets" in the Company's consolidated balance sheets as of September 30, 2008 and December 31, 2007, respectively. While the Company anticipates full utilization of funds available, any amounts remaining in the escrow account after December 31, 2012 will be disbursed to the Company.

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 Divestitures

During the three and nine-month periods ended September 30, 2008 the Company recorded asset impairments and loss on divestitures of $19 million and $70 million, respectively. These amounts were related to the following:

- During the third quarter of 2008, the Company recorded approximately $16 million of losses on the Swansea Divestiture related to working capital adjustments in connection with the July 7, 2008 transaction closing date. Additional losses on the Swansea Divestiture included $7 million of asset impairment charges recorded in the second quarter of 2008 in connection with the Company's determination that long-lived assets subject to the Swansea Divestiture met the "held for sale" criteria of SFAS 144.

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

- The Company also recorded asset impairments and loss on divestitures of $2 million during the third quarter of 2008 in connection with the Halewood Divestiture and $4 million during the second quarter of 2008 for long-lived assets related to the Other product group 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 NA Aftermarket Divestiture during the first quarter of 2008.

2007 Asset Impairments

During the three and nine-month periods ended September 30, 2007 the Company recorded asset impairments of $14 million and $65 million, respectively. These amounts were related to the following:

- During the third quarter of 2007, the Company completed the sale of its Visteon Powertrain Control Systems India operation located in Chennai, India. The Company determined that assets subject to the VPCSI divestiture including inventory, intellectual property and real and personal property 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 $14 million.
- 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 $25 million for the nine-month period ended September 30, 2007.
- During the second quarter of 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 SFAS 144 and was recorded at the lower of carrying amount 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 $237 million and $434 million as of September 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 September 30, 2008, approximately $114 million of the Company's transferred trade receivables were considered eligible for borrowing under this facility, $93 million was outstanding and $21 million was available for funding. The Company recorded losses of $5 million and $6 million for the nine-month periods ended September 30, 2008 and 2007, respectively, 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.

	September 30	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 434	$ 482
Receivables transferred	2,028	2,495
Proceeds from new securitizations	—	(41)
Proceeds from collections reinvested in securitization	(425)	(381)
Cash flows received on interest retained	(1,778)	(2,132)
Currency exchange	(22)	40
Ending balance	$ 237	$ 463

NOTE 6. Asset Securitization — (Continued)

In October 2008, the Company amended and restated agreements related to the European Securitization to, among other things; include Visteon Electronics Corporation as a seller under the facility and remove Visteon UK Limited as the master service provider. In connection with these amendments, the Company regained control of previously transferred trade receivables and the Transferor will be consolidated in accordance with the requirements of FASB Interpretation 46(R), “Consolidation of Variable Interest Entities — an interpretation of ARB No. 51”. Accordingly, upon consolidation, Visteon will account for transferred accounts receivable as secured borrowings and will recognize the related receivables and the obligations to third-party lenders on its consolidated balance sheet.

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:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Raw materials	$ 213	$ 159
Work-in-process	139	224
Finished products	122	160
	474	543
Valuation reserves	(45)	(48)
	$ 429	$ 495

NOTE 8. Other Assets

Other current assets are summarized as follows:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Recoverable taxes	$ 116	$ 88
Current deferred tax assets	43	47
Prepaid assets	33	28
Dividend receivable	30	—
Deposits	24	30
Escrow receivable	23	22
Note receivable	10	—
Other	35	20
	$ 314	$ 235

NOTE 8. Other Assets — (Continued)

Other non-current assets are summarized as follows:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Non-current deferred tax assets	$ 34	$ 39
Unamortized debt costs and other intangible assets	28	33
Other	34	50
	$ 96	$ 122

NOTE 9. Non-Consolidated Affiliates

The Company had $226 million and $218 million of equity in the net assets of non-consolidated affiliates at September 30, 2008 and December 31, 2007, respectively. The Company recorded equity in net income of non-consolidated affiliates of $5 million and $11 million for the three months ended September 30, 2008 and 2007, respectively. For the nine-month periods ended September 30, 2008 and 2007, the Company recorded $35 million and $34 million, respectively.

The following table presents summarized financial data for the Company's non-consolidated affiliates. 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, 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 September 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.	$ 154	$ 243	$ 35	$ 40	$ 9	$ 16
All other	206	195	27	21	—	3
	$ 360	$ 438	$ 62	$ 61	$ 9	$ 19

Summarized financial data for the nine-month periods ended September 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.	$ 704	$ 672	$ 136	$ 116	$ 53	$ 50
All other	626	543	91	74	16	15
	$ 1,330	$ 1,215	$ 227	$ 190	$ 69	$ 65

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 $100 million and $99 million at September 30, 2008 and December 31, 2007, respectively.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Land	$ 82	$ 95
Buildings and improvements	1,012	1,083
Machinery, equipment and other	3,529	3,894
Construction in progress	126	146
Total property and equipment	4,749	5,218
Accumulated depreciation	(2,378)	(2,573)
	2,371	2,645
Product tooling, net of amortization	115	148
Property and equipment, net	$ 2,486	$ 2,793

Depreciation and amortization expenses are summarized as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Depreciation	$ 93	$ 98	$ 299	$ 310
Amortization	9	11	28	36
	$ 102	$ 109	$ 327	$ 346

NOTE 11. Other Liabilities

Other current liabilities are summarized as follows:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Restructuring accrual	$ 67	$ 87
Product warranty and recall accrual	53	54
Non-income taxes payable	50	34
Accrued interest payable	25	62
Income taxes payable	23	13
Other accrued liabilities	101	101
	$ 319	$ 351

NOTE 11. Other Liabilities — (Continued)

Other non-current liabilities are summarized as follows:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Income tax accrual	$ 195	$ 154
Non-income tax payable	75	80
Product warranty and recall accrual	53	54
Deferred income	49	63
Restructuring accrual	—	25
Other accrued liabilities	40	52
	$ 412	$ 428

As of December 31, 2007, non-current deferred income included approximately $42 million related to the sale of two facilities in connection with the ACH Transactions, which the Company leased-back. During the three months ended September 30, 2008, the Company terminated the lease on one of the facilities and recognized $12 million of related deferred income, which was offset by the remaining net book value associated with the facility.

NOTE 12. Debt

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

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Short-term debt		
Current portion of long-term debt	$ 27	$ 44
Other	70	51
Total short-term debt	97	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	453	449
12.25% notes due December 31, 2016	197	—
Other	135	243
Total long-term debt	2,492	2,745
Total debt	$ 2,589	$ 2,840

Fair value of total debt was $1,541 million and $2,542 as of September 30, 2008 and December 31, 2007, respectively.

NOTE 12. Debt — (Continued)

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.

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 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 8.25% senior notes due August 2010 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 second quarter of 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.

NOTE 12. Debt — (Continued)

Other Debt

As of September 30, 2008, the Company had additional debt facilities of $494 million, with $97 million and $135 million in short-term and long-term debt outstanding, respectively, consisting of credit facilities and capital leases for various affiliates and other obligations. Remaining availability on the credit facilities is approximately $262 million. Certain of these balances are related to a number of the Company's non-U.S. operations, a portion of which are payable in non-U.S. currencies including, but not limited to, the Euro, Korean Won and Brazilian Real.

NOTE 13. Employee Retirement Benefits

The components of the Company's net periodic benefit costs for the three-month periods ended September 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	$ 5	$ 6	$ 4	$ 7	$ 1	$ 2
Interest cost	19	18	20	18	8	8
Expected return on plan assets	(21)	(19)	(15)	(14)	—	—
Amortization of:						
Plan amendments	—	—	1	1	(7)	(13)
Actuarial losses and other	—	—	—	3	2	4
Special termination benefits	2	1	—	—	—	—
Settlements	—	—	—	3	—	—
Curtailments	—	—	—	—	(13)	(11)
Visteon sponsored plan net periodic benefit costs	5	6	10	18	(9)	(10)
Expense for certain salaried employees whose pensions are partially covered by Ford	3	—	—	—	(2)	(2)
Net periodic benefits costs, excluding restructuring	$ 8	$ 6	$ 10	$ 18	$ (11)	$ (12)
Special termination benefits	11	—	4	1	1	—
Total employee retirement benefit related restructuring costs	$ 11	$ —	$ 4	$ 1	$ 1	$ —

NOTE 13. Employee Retirement Benefits — (Continued)

The components of the Company's net periodic benefit costs for the nine-month periods ended September 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	$ 16	$ 19	$ 15	$ 21	$ 3	$ 5
Interest cost	55	54	55	54	24	24
Expected return on plan assets	(62)	(57)	(45)	(41)	—	—
Amortization of:						
Plan amendments	(1)	1	4	4	(24)	(36)
Actuarial losses and other	—	1	2	9	8	12
Special termination benefits	3	1	—	—	—	—
Settlements	—	—	—	33	—	—
Curtailments	1	10	5	—	(43)	(20)
Visteon sponsored plan net periodic benefit costs	12	29	36	80	(32)	(15)
Expense for certain salaried employees whose pensions are partially covered by Ford	1	—	—	—	(5)	(4)
Net periodic benefits costs, excluding restructuring	$ 13	$ 29	$ 36	$ 80	$ (37)	$ (19)
Special termination benefits	12	3	21	9	1	—
Total employee retirement benefit related restructuring costs	$ 12	$ 3	$ 21	$ 9	$ 1	$ —

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 Amended Escrow Agreement. The following curtailments and settlements were recorded during the three and nine-month periods ended September 30, 2008 and 2007:

- The Company recorded curtailment gains of $13 million and $43 million for the three and nine months ended September 30, 2008 related to elimination of employee benefits associated with U.S. other postretirement benefit ("OPEB") plans in connection with employee headcount reductions under previously announced restructuring actions.

NOTE 13. Employee Retirement Benefits — (Continued)

- During the second quarter of 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, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," the Company re-measured the assets and obligations of its UK pension 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 $11 million and $20 million for the three and nine months ended September 30, 2007, respectively, 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 second quarter of 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 settlement losses of $3 million and $20 million during the three and nine months ended September 30, 2007, respectively, 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 during the first quarter of 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 $18 million and $36 million for the three and nine months ended September 30, 2008, respectively, for retirement benefit related restructuring charges, of which $2 million are expenses for certain salaried employees whose pensions are partially covered by Ford. 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 nine-month period ended September 30, 2008, contributions to the Company's U.S. retirement plans and postretirement health care and life insurance plans were $19 million and $21 million, respectively, and contributions to non-U.S. retirement plans were $48 million. The Company presently anticipates additional contributions to its U.S. retirement plans and postretirement health care and life insurance plans of $12 million and $9 million, respectively, in 2008. The Company also anticipates additional 2008 contributions to non-U.S. retirement plans of $64 million.

NOTE 13. Employee Retirement Benefits — (Continued)

Other

In October 2008, the Company approved changes to certain hourly postretirement employee health care plans to eliminate Company-sponsored prescription drug benefits for Medicare eligible retirees, spouses and dependents effective January 1, 2009, to eliminate all benefits for certain employees who are not currently eligible and to provide additional retirement plan benefits. These changes are expected to result in a net reduction in pension and OPEB liabilities in the fourth quarter of 2008 of approximately $93 million. This amount will be amortized as a net reduction of retirement and postretirement employee benefit expense over the average remaining life expectancy of plan participants. The Company expects to record curtailment gains in the fourth quarter of 2008 of approximately $15 million reflecting the elimination of future service in these plans.

In October 2008, the Company settled employee pension obligations of approximately $90 million related to the UK pension plan for employees that transferred from Visteon to Ford during the years 2005 through 2007 in accordance with certain agreements initially completed in connection with the ACH Transactions. Accordingly, the Company expects to record a charge of approximately $40 million during the fourth quarter of 2008. The charge is subject to reimbursement under the terms of the Amended Escrow Agreement.

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 $31 million and $131 million for the three-month and nine-month periods ended September 30, 2008, respectively, 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.

NOTE 14. Income Taxes — (Continued)

In July 2008, the Housing Assistance Tax Act of 2008 ("the Act") was signed into law. The Act allows corporations to elect to treat certain unused U.S. research tax credits as refundable in lieu of claiming bonus and accelerated depreciation for eligible qualified property placed in service between April 1, 2008 and December 31, 2008. The amount of the Company's unused research tax credits eligible for the refund is limited to approximately $7 million. Based on initial projections of expected qualified eligible property to be placed in service between April 1, 2008 and December 31, 2008, the Company estimates that it will be able to accelerate the use of approximately $4 million of research tax credits previously subject to limitation and obtain a refund. Due to the existence of valuation allowances against its U.S. research tax credit carryforwards, the anticipated realization of a portion of these credits resulted in the Company recording an income tax benefit of approximately $4 million in the third quarter of 2008.

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 September 30, 2008 were approximately $290 million, and the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate were approximately $150 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 third quarter of 2008, the Company increased its gross unrecognized tax benefits by approximately $20 million primarily as a result of certain positions expected to be taken in future tax returns, of which, $10 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.

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 September 30, 2008. As of September 30, 2008, the Company had approximately $45 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 September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Net loss	$ (188)	$ (109)	$ (335)	$ (329)
Pension and other postretirement benefit adjustments	13	(4)	(46)	105
Change in foreign currency translation adjustments	(140)	54	(60)	86
Unrealized losses on derivatives	(8)	(3)	—	(5)
	$ (323)	$ (62)	$ (441)	$ (143)

Accumulated other comprehensive income is comprised of the following:

	September 30 2008	December 31 2007
	(Dollars in Millions)	
Foreign currency translation adjustments	$ 237	$ 297
Pension and other postretirement benefit adjustments, net of tax	(56)	(10)
Unrealized losses on derivatives	(12)	(12)
	$ 169	$ 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.

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(Dollars in Millions)			
Numerator:				
Net loss from continuing operations	$ (188)	$ (109)	$ (335)	$ (305)
Loss from discontinued operations, net of tax	—	—	—	24
Net loss	$ (188)	$ (109)	$ (335)	$ (329)
Denominator:				
Average common stock outstanding	130.6	129.8	130.4	129.5
Less: Average restricted stock outstanding	(1.2)	(0.1)	(0.9)	(0.1)
Basic and diluted shares	129.4	129.7	129.5	129.4
Per Share Data:				
Basic and diluted loss per share from continuing operations	$ (1.45)	$ (0.84)	$ (2.59)	$ (2.36)
Loss from discontinued operations, net of tax	$ —	$ —	$ —	$ (0.18)
Basic and diluted loss per share	$ (1.45)	$ (0.84)	$ (2.59)	$ (2.54)

NOTE 16. Loss Per Share — (Continued)

Stock options and stock warrants with exercise prices that exceed the average market price of the Company's common stock have an anti-dilutive effect and therefore were excluded from the computation of diluted loss per share. The number of stock options excluded from the computation of diluted loss per share was 12 million and 13 million for the three and nine months ended September 30, 2008, respectively, and 12 million for both the three and nine month periods ended September 30, 2007. The number of stock warrants excluded from the computation of diluted loss per share was 25 million for the three and nine months ended September 30, 2008 and 2007.

NOTE 17. Fair Value Measurements

In September 2006, the FASB issued 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.

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 financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2008:

	Fair Value Measurements	
	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(Dollars in Millions)	
Assets		
Interests in accounts receivable transferred	$—	$237
Foreign currency instruments	9	—
Total	$ 9	$237
Liabilities		
Interest rate swaps	$ 2	$ —
Foreign currency instruments	6	—
Total	$ 8	$ —

NOTE 17. Fair Value Measurements — (Continued)

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 nine-month periods ended September 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.

Interests 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 $16 million of debt capacity held by subsidiaries and $91 million for lifetime lease payments held by consolidated subsidiaries.

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. On August 31, 2006, the defendants' motion to dismiss the amended complaint for failure to state a claim was granted and on August 26, 2008 the dismissal was affirmed on appeal by the U.S. Court of Appeals for the Sixth Circuit.

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.

NOTE 18. Commitments and Contingencies — (Continued)

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

	Product Warranty and Recall	
	2008	2007
	(Dollars in Millions)	
Beginning balance, December 31	$ 108	$ 105
Accruals for products shipped	33	36
Changes related to pre-existing conditions (including changes in estimates)	9	(11)
Settlements	(44)	(27)
Ending balance, September 30	$ 106	$ 103

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 September 30, 2008, had recorded an accrual of approximately $6 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.

NOTE 18. Commitments and Contingencies — (Continued)

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 September 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.

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, 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, climate controls, 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.

NOTE 19. Segment Information — (Continued)

- 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 Amended Master Services Agreement and the Amended 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.

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 September 30		Nine Months Ended September 30		Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)							
Climate	$ 674	$ 795	$ 2,407	$ 2,508	$ 30	$ 52	$ 191	$ 145
Electronics	756	851	2,725	2,696	9	43	217	175
Interiors	609	712	2,294	2,320	—	15	39	51
Other	71	189	445	971	3	(11)	19	15
Eliminations	(100)	(137)	(341)	(494)	—	—	—	—
Total products	2,010	2,410	7,530	8,001	42	99	466	386
Services	100	136	345	407	1	2	3	5
Total segments	2,110	2,546	7,875	8,408	43	101	469	391
Reconciling Item								
Corporate	—	—	—	—	—	(2)	—	(20)
Total consolidated	$ 2,110	$ 2,546	$ 7,875	$ 8,408	$ 43	$ 99	$ 469	$ 371

A summary of operating assets by segment is provided below:

	Inventories, net		Property and Equipment, net	
	September 30 2008	December 31 2007	September 30 2008	December 31 2007
	(Dollars in Millions)			
Climate	$ 192	$ 197	$ 843	$ 947
Electronics	162	154	701	758
Interiors	57	59	492	533
Other	18	85	6	57
Total products	429	495	2,042	2,295
Reconciling Item				
Corporate	—	—	444	498
Total consolidated	$ 429	$ 495	$ 2,486	$ 2,793

NOTE 19. Segment Information — (Continued)

Reconciling Item and Reclassification

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. Segment information for the three-month and nine-month periods ended September 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, 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 35,500 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.

Market Conditions

Unfavorable market conditions continued to negatively impact the automotive sector throughout the third quarter of 2008, particularly in North America, where significant declines in consumer sentiment and demand have been driven by sustained economic weakness in the United States. Downturns in the housing and mortgage markets, a weakening job market, and concerns about inflation and tightening credit have adversely impacted consumer confidence and spending, resulting in delayed purchases of durable consumer goods including automobiles. Additionally, significant and sustained increases in fuel prices have resulted in a shift of North American consumer preference away from sport utility vehicles and trucks toward more fuel-efficient passenger cars. These changes in consumer behavior have resulted in lower volumes and adverse product mix and continue to present significant challenges for the Company. During the latter part of the third quarter of 2008, similar signs of an economic slowdown began to emerge in Western Europe, including rising inflation and energy costs leading to higher interest rates and a general contraction of consumer spending.

Global Credit Crisis

In the early part of 2008 as the United States economy began to soften, doubts were raised about the ability of borrowers to pay debts. As fuel and other commodity prices began to rise, housing values began to fall and marginal loans were first to default, triggering the sub-prime lending crisis. Financial institutions responded by tightening their lending policies with respect to counterparties determined to have sub-prime mortgage risk. This tightening of institutional lending policies, caused the failure of major financial institutions late in the third quarter of 2008. Continued failures, losses, and write-downs at major financial institutions through October 2008 have intensified concerns about credit and liquidity risks and have resulted in a sharp reduction in overall market liquidity and broad governmental intervention. Accordingly, asset prices continue to be volatile and many financial markets and institutions remain under considerable stress. The global credit crisis threatens the stability of the global economy and may cause further macro economic contraction through the fourth quarter of 2008 and into 2009.

Further deterioration of market conditions resulting in a sustained adverse impact on the global automotive sector could reduce the Company's sales and harm its results of operations, cash flows and financial position including, but not limited to, significant operating losses, potential asset impairments and reduced availability under asset-backed credit arrangements.

Overview of Third Quarter 2008 Results

The Company recorded total sales of $2.1 billion for the three months ended September 30, 2008, compared with $2.5 billion for the same period in 2007. The decrease in sales includes the impact of divestitures and plant closures and lower vehicle production volumes largely attributable to the weakened economic conditions in the United States, initial softening of certain Western European economies and further tightening of global credit markets. The Company, despite accelerated efforts to reduce costs in line with lower volumes through manufacturing efficiencies, purchasing savings and restructuring actions, was not able to overcome the full impact of adverse market conditions during the third quarter of 2008, realizing a decrease in gross margin as a percentage of sales and a higher net loss.

Restructuring Activities

The Company has taken actions, in addition to the previously announced multi-year improvement plan, to reduce overall costs in line with lower customer volumes and weakened economic conditions in the United States, including the reorganization of its global administrative structure. Significant actions include the following:

- In October 2008, the Company implemented changes in other postretirement benefit ("OPEB") and retirement plans for former employees at its Bedford and Connersville, Indiana facilities. These changes eliminate Company-sponsored prescription drug benefits for Medicare eligible retirees, spouses and dependents effective January 1, 2009 and provide additional retirement plan benefits. The change will result in a net reduction to the related liabilities of approximately $71 million, and will be amortized as a net reduction to expense over the average remaining life expectancy of plan participants.
- In September 2008, the Company commenced a program designed to fundamentally realign, consolidate and rationalize the Company's administrative organization structure on a global basis through various voluntary and involuntary employee separation actions. Related employee severance and termination benefit costs of $10 million were recorded during the three months ended September 30, 2008 associated with approximately 200 salaried employees in the United States, for which severance and termination benefits were deemed probable and estimable. The Company expects to record additional costs related to this global program in future periods when elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change.
- On August 29, 2008, the Company completed the sale of its Interiors operation located in Halewood, UK, consisting of the facility and associated assets including purchase and supply contracts. During 2007, the Halewood, UK facility operated on a break-even basis on sales of approximately $150 million. The Company recorded losses of $2 million in connection with this transaction during the third quarter of 2008.
- During the third quarter of 2008, Visteon amended a number of agreements between Ford and ACH initially related to the 2005 ACH Transactions. The Reimbursement Agreement with Ford was amended to require Ford to reimburse Visteon for certain severance and other qualifying benefits relating to the termination of salaried employees leased to ACH, without a cap or sharing by Visteon. The Escrow Agreement with Ford was amended to provide an additional $50 million of restructuring funds into the escrow account for first dollar funding of restructuring and other qualifying expenses. The additional $50 million was funded into the escrow account by Ford in August 2008.

- Additionally, the Company terminated the employment of approximately 820 hourly and 60 salaried employees at a North American Climate facility during the third quarter of 2008, resulting in $8 million of employee severance and termination benefit costs.

The Company also continued to execute actions under the previously announced multi-year improvement plan, including the following significant actions:

- In October 2008, hourly employees at the Company's Electronics facility in Lansdale, Pennsylvania voted to extend their labor contract through March 13, 2011. The extended contract includes changes related to OPEB benefits that will result in a reduction to the OPEB liability of approximately $22 million, which will be amortized as a reduction to OPEB expense over the average remaining life expectancy of plan participants. The Company expects to record curtailment gains during the fourth quarter of 2008 of approximately $15 million reflecting the elimination of future service in the plan.
- During the third quarter of 2008, Visteon entered into customer agreements whereby it will be reimbursed for operating losses generated by certain UK operations. During 2007, the UK operations subject to these customer agreements generated negative gross margin of approximately $21 million on sales of approximately $295 million.
- On July 7, 2008, Visteon completed the sale of its Swansea, UK, operation. 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. During the three months ended September 30, 2008, the Company recorded a $16 million loss on the divestiture of the Swansea, UK operation related to working capital adjustments in connection with the July 7, 2008 transaction closing date. This loss was in addition to amounts previously recorded in the second quarter of 2008 including $32 million related to employee termination costs and asset impairment charges and $13 million of escrow reimbursement. Additionally, the Company entered into customer agreements to mitigate the impact of ongoing operating losses at certain UK manufacturing facilities.
- During the third quarter of 2008, the Company continued to evaluate its general and administrative support infrastructure in connection with the actions taken under the multi-year improvement plan. Accordingly, the Company recorded $15 million of employee severance and termination benefit costs associated with approximately 130 employees to reduce the Company's salaried workforce in higher cost countries.

The Company currently estimates that the total cost associated with the multi-year improvement plan will be approximately $475 million. To date, the Company has incurred $373 million in cumulative restructuring costs related to the multi-year improvement plan including $154 million, $125 million, $63 million and $31 million for the Other, Interiors, Climate and Electronics product groups, respectively. The Company has completed 28 of 30 previously identified restructuring actions under the multi-year improvement plan. As a result of these actions, the Company has recognized cumulative savings of approximately $345 million since the inception of the multi-year improvement plan. The Company continues to evaluate alternative courses of action related to the remaining 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.

Financial results for the three-month period ended September 30, 2008

- Product sales of approximately $2.0 billion, a decline of $400 million when compared to the third quarter of 2007
- Product gross margin of $42 million or 2% of product sales, down from $97 million or 4% of product sales when compared to the same period of 2007.
- Net loss of $188 million compared to a net loss of $109 million for the third quarter of 2007.
- Cash and equivalents of approximately $1.1 billion, including $613 million in the United States.

During the third quarter of 2008, the Company recorded product sales of $2.0 billion compared to $2.4 billion for the same period in 2007. Lower vehicle production volumes decreased sales by $270 million, while the impact of plant divestitures and closures contributed $205 million to the decrease. These decreases were partially offset by favorable currency of $75 million.

North America product sales of $464 million for the three months ended September 30, 2008 decreased by $308 million or 40% when compared to the same period of 2007 and comprise 22% of the Company's total product sales. This decrease was primarily driven by production declines in North America for key customers, including a 218,000 and a 47,000 unit decline in Ford and Nissan truck production, respectively. Plant closures and divestitures in connection with the Company's multi-year improvement plan also resulted in product sales declines in North America. Europe product sales of $901 million for the three months ended September 30, 2008 have decreased by $23 million or 3% when compared to the same period of 2007 and comprise 42% of total product sales. The decline in Europe product sales resulted from the impact of divestitures and Ford volume declines partially offset by the strengthening of the Euro. Asia product sales of $628 million decreased by $91 million or 13% when compared to the same period of 2007 and comprise 29% of total product sales. The decrease in Asia product sales was primarily due to lower Hyundai/Kia vehicle production volumes as a result of labor disruption and the weakening of the Korean Won.

The Company's product gross margin was $42 million in the third quarter of 2008, compared with $97 million in the third quarter of 2007, representing a decrease of $55 million. The decrease in gross margin included $141 million related to lower sales volumes and divestitures and plant closures associated with the Company's ongoing restructuring activities, partially offset by net cost performance of $91 million reflecting efficiencies achieved through restructuring actions, cost reduction efforts and commercial agreements.

As of September 30, 2008 the Company's consolidated cash and equivalents totaled $1.1 billion and approximately 54% of this balance was located in the U.S. The Company's cash and equivalent balance decreased by approximately $625 million during 2008 including capital spending of $230 million, the repurchase of a portion of the Company's 8.25% senior notes due August 2010 of approximately $150 million, changes in assets and liabilities of approximately $130 million, and net repayment of other debt and other financing cash changes of approximately $120 million.

Liquidity Considerations

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. Additionally, the Company's business is highly dependent upon the ability to access the credit and capital markets. Accordingly, 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 has additional sources of liquidity available for use in the conduct of its ongoing operations and to fund its restructuring activities including a revolving credit agreement, a European Securitization facility and an escrow account established pursuant to the ACH Transactions. As of September 30, 2008, the Company had received cumulative reimbursements from the escrow account of $367 million and $117 million was available for reimbursement pursuant to the terms of the Amended Escrow Agreement.

The Company's revolving credit agreement allows for available borrowings of up to $350 million. As of September 30, 2008, there were no outstanding borrowings under the revolving credit agreement. The total facility availability for the Company was $225 million, with $170 million of available borrowings under the facility after a reduction for $55 million of obligations under letters of credit.

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 September 30, 2008, approximately $114 million of the Company's transferred receivables were considered eligible for borrowing under this facility, $93 million was outstanding and $21 million was available for funding. In October 2008, the Company amended and restated agreements related to the European Securitization to, among other things, include Visteon Electronics Corporation as a seller under the facility. The inclusion of Visteon Electronics Corporation as a seller is expected to increase the amount of qualifying receivables transferred into the facility and to enhance availability of funds under the facility.

As of September 30, 2008, the Company had availability on various other credit facilities of approximately $262 million. Certain of these balances are related to a number of the Company's non-U.S. operations, a portion of which are payable in non-U.S. currencies including, but not limited to, the Euro, Korean Won and Brazilian Real.

Results of Operations

Three Months Ended September 30, 2008 and 2007

	Sales			Gross Margin		
	2008	2007	Change	2008	2007	Change
	(Dollars in Millions)					
Climate	$ 674	$ 795	$ (121)	$ 30	$52	$ (22)
Electronics	756	851	(95)	9	43	(34)
Interiors	609	712	(103)	—	15	(15)
Other	71	189	(118)	3	(11)	14
Eliminations	(100)	(137)	37	—	—	—
Total product	2,010	2,410	(400)	42	99	(57)
Services	100	136	(36)	1	2	(1)
Total segment	2,110	2,546	(436)	43	101	(58)
Reconciling Item						
Corporate	—	—	—	—	(2)	2
Total consolidated	$ 2,110	$ 2,546	$ (436)	$ 43	$99	$ (56)

Net Sales

Net sales decreased $436 million during the three months ended September 30, 2008 when compared to the same period of 2007, consisting of a $400 million decrease in product sales and a $36 million decrease in services revenues. The decrease was primarily attributable to vehicle production volume reductions of approximately $270 million, with the North America market being the largest driver. Additionally, divestitures and plant closures of $205 million and net customer price reductions were partially offset by favorable currency of $75 million.

Net sales for Climate were $674 million for the three months ended September 30, 2008, compared with $795 million for the same period of 2007, representing a decrease of $121 million or 15%. Vehicle production volume and mix decreased Climate sales by $77 million, primarily due to Ford volumes in North America while, to a lesser extent, Hyundai/Kia volumes in Asia also contributed to the decline. Unfavorable currency, primarily driven by the Korean Won, decreased sales by $15 million. Sales were also lower by $29 million due to the fourth quarter 2007 closure of the Company's Connersville, Indiana facility.

Net sales for Electronics were $756 million for the three months ended September 30, 2008, compared to $851 million for the same period of 2007, representing a decrease of $95 million or 11%. Vehicle production volume and mix, primarily related to Ford North America, and the impact of past sourcing actions resulted in a $150 million reduction in sales. These declines were partially offset by $66 million of favorable currency, primarily related to the Euro.

Net sales for Interiors were $609 million for the three months ended September 30, 2008 representing a decrease of $103 million or 14% when compared to the same period in 2007. Vehicle production volume and mix, primarily related to Nissan North America, resulted in a $124 million decline. Also contributing to the decline was $11 million related to the divestiture of the Company's Halewood, UK facility and the impact of net customer price reductions. These reductions were partially offset by $26 million of favorable currency, primarily related to the Euro, and revenue associated with customer agreements at certain of the Company's UK operations.

Net sales for Other were $71 million in the third quarter of 2008, compared with $189 million in the third quarter of 2007, representing a decrease of $118 million or 62%. The decrease is associated with divestitures and plant closures of $126 million including divestiture of the Visteon Powertrain Control Systems India operation, the North America Aftermarket operations, and the Swansea, UK facility, and the closure of the Bedford, Indiana facility. These reductions were partially offset by revenue associated with customer agreements at certain of the Company's UK operations.

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 between the Company and ACH. Such services are generally provided at an amount that approximates cost. Total services revenues were $100 million for the three months ended September 30, 2008, compared with $136 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 $43 million for the three months ended September 30, 2008, a decrease of $56 million. The decrease included $96 million related to lower vehicle production volumes, primarily in North America, and $45 million related to plant closures and divestitures. Gross margin also declined as a result of the non-recurrence of $15 million of asset sales in the UK and the non-recurrence of a $7 million benefit in 2007 for share-based compensation. These declines were partially offset by $102 million of net cost efficiencies achieved through manufacturing performance, purchasing improvement efforts and restructuring activities and commercial agreements.

Gross margin for Climate of $30 million, or 4% of sales, for the three months ended September 30, 2008 represents a decrease of $22 million when compared to the same period of 2007. Lower vehicle production volume and the impact of the Connersville, Indiana closure resulted in a reduction of $29 million. Non-recurrence of OPEB curtailment gains of $10 million, which were recorded in 2007 related to the Connersville, Indiana closure, resulted in a comparatively lower gross margin. These declines were partially offset by net cost performance of $16 million achieved through manufacturing and purchasing improvement efforts and restructuring activities.

Gross margin for Electronics was $9 million, or 1% of sales, for the three months ended September 30, 2008, compared with $43 million for the same period of 2007, representing a decrease of $34 million. Lower vehicle production volume and unfavorable product mix and the impact of past sourcing actions resulted in a reduction in gross margin of $48 million. This reduction was partially offset by net cost performance of $7 million achieved through manufacturing and purchasing improvement efforts and OPEB curtailment gains of $7 million related to the elimination of employee benefits associated with U.S. OPEB plans in connection with employee headcount reductions under previously announced restructuring actions.

The Interiors product group broke even on a gross margin level during the three-month period ended September 30, 2008 for a reduction of $15 million when compared to the same period of 2007. Lower vehicle production volume in North America related to Nissan and the impact of the Halewood, UK divestiture reduced gross margin $28 million, and the non-recurrence of $12 million related to UK asset sales in 2007 caused a further reduction. These reductions were partially offset by net cost performance of $26 million achieved through manufacturing and purchasing improvement efforts and restructuring activities and commercial agreements.

Gross margin for Other was $3 million for the three months ended September 30, 2008, compared with a loss of $11 million in the same period of 2007. The effect of divestitures and plant closures and lower production volumes on the remaining business was more than offset by restructuring savings resulting from those actions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $138 million in the third quarter of 2008, compared with $131 million in the third quarter of 2007, representing an increase of $7 million. The increase in expense includes $15 million related to the non-recurrence of a 2007 bad debt recovery, $9 million associated with the non-recurrence of a 2007 benefit for share-based compensation, $6 million of implementation costs associated with the Company's cost reduction initiatives and currency of $4 million. These items were partially offset by $27 million of efficiencies resulting from the Company's continuing cost reduction efforts.

Restructuring Expenses and Reimbursement from Escrow Account

The Company recorded restructuring expenses of $42 million during the three months ended September 30, 2008 for an increase of $15 million when compared to the same period of 2007. The Company recorded reimbursement for such costs of $39 million and $27 million during the three months ended September 30, 2008 and 2007, respectively, pursuant to the terms of the Amended Escrow Agreement. The following is a summary of the Company's consolidated restructuring reserves and related activity as of and for the three months ended September 30, 2008.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
June 30, 2008	$ 61	$ 2	$ 7	$ 26	$ 96
Expenses	8	8	—	26	42
Currency exchange	(6)	—	—	—	(6)
Utilization	(13)	(9)	(2)	(41)	(65)
September 30, 2008	$ 50	$ 1	$ 5	$ 11	$ 67

In September 2008, the Company commenced a program designed to fundamentally realign, consolidate and rationalize the Company's administrative organization structure on a global basis through various voluntary and involuntary employee separation actions. Related employee severance and termination benefit costs of $10 million were recorded during the three months ended September 30, 2008 associated with approximately 200 salaried employees in the United States, for which severance and termination benefits were deemed probable and estimable. The Company expects to record additional costs related to this global program in future periods when elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change. Additionally, the Company recorded $8 million of employee severance and termination benefit costs associated with approximately 820 hourly and 60 salaried employees at a North American Climate facility. As of September 30, 2008, restructuring reserves related to these programs were approximately $7 million.

The Company also continued to execute actions under the previously announced multi-year improvement plan, incurring restructuring expenses of $24 million during the third quarter of 2008. Significant actions under the multi-year improvement plan, include the following:

- $15 million of employee severance and termination benefit costs associated with approximately 130 employees to reduce the Company's salaried workforce in higher cost countries.
- $6 million of employee severance and termination benefit costs associated with approximately 40 employees at a European Interiors facility.

The Company currently estimates that the total cost associated with the multi-year improvement plan will be approximately $475 million. The Company has incurred $373 million in cumulative restructuring costs related to the multi-year improvement plan including $154 million, $125 million, $63 million and $31 million for the Other, Interiors, Climate and Electronics product groups, respectively. As of September 30, 2008, restructuring reserves related to the multi-year improvement plan are approximately $60 million.

Substantially all restructuring expenses recorded to date relate to employee severance and termination benefit costs. Utilization for the three months ended September 30, 2008 includes $39 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 $8 million of payments for contract termination, equipment relocation and other costs.

Asset Impairments and Loss on Divestitures

The Company recorded asset impairments and loss on divestitures of $19 million during the three months ended September 30, 2008 for an increase of $5 million when compared to the same period of 2007. The amounts recorded during the three months ended September 30, 2008 are related to the Company's ongoing restructuring activities.

During the third quarter of 2008, the Company recorded approximately $16 million of losses on the Swansea Divestiture related to working capital adjustments in connection with the July 7, 2008 transaction closing date. Additional losses on the Swansea Divestiture included $7 million of asset impairment charges recorded in the second quarter of 2008 in connection with the Company's determination that long-lived assets subject to the Swansea Divestiture 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".

The Company also recorded asset impairments and loss on divestiture of $2 million during the third quarter of 2008 in connection with the Halewood Divestiture and $4 million during the second quarter of 2008 for long-lived assets related to the Other product group that met the "held for sale" criteria of SFAS 144.

Interest

Interest expense was $48 million for the quarterly period ended September 30, 2008, compared with $59 million for the same period of 2007. The decrease is primarily related to lower borrowing rates. Interest income decreased by $7 million during the three months ended September 30, 2008, primarily due to lower investment rates.

Income Taxes

The provision for income taxes of $31 million for the third quarter of 2008 represents an increase of $11 million when compared with $20 million in the same period of 2007. The increase in tax expense is primarily attributable to the non-recurrence of a $25 million tax benefit 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. This increase in tax expense was partially offset by a net reduction in unrecognized tax benefits year-over-year.

Nine Months Ended September 30, 2008 and 2007

	Net Sales			Gross Margin		
	2008	2007	Change	2008	2007	Change
			(Dollars in Millions)			
Climate	$ 2,407	$ 2,508	$ (101)	$ 191	$ 145	$ 46
Electronics	2,725	2,696	29	217	175	42
Interiors	2,294	2,320	(26)	39	51	(12)
Other	445	971	(526)	19	15	4
Eliminations	(341)	(494)	153	—	—	—
Total products	7,530	8,001	(471)	466	386	80
Services	345	407	(62)	3	5	(2)
Total segments	7,875	8,408	(533)	469	391	78
Reconciling Items						
Corporate	—	—	—	—	(20)	20
Total consolidated	$ 7,875	$ 8,408	$ (533)	$ 469	$ 371	$ 98

Net Sales

Net sales decreased $533 million during the nine months ended September 30, 2008 when compared to the same period of 2007. The decrease was due to divestitures and plant closures of $806 million, vehicle production volume declines of $66 million and net customer price reductions, partially offset by favorable currency of $419 million. The impact of lower vehicle production volume is primarily due to lower Ford and Nissan vehicle production in North America partially offset by higher Hyundai/Kia volumes in Asia.

Net sales for Climate were $2.41 billion for the nine months ended September 30, 2008, compared with $2.51 billion for the same period of 2007, representing a decrease of $101 million. This decrease included $134 million related to the closure of the Company’s Connersville, Indiana facility and net customer price reductions. These decreases were partially offset by vehicle production volume and mix of $46 million, primarily related to higher Hyundai/Kia sales in Asia, and favorable currency of $41 million, primarily due to the strengthening of the Euro.

Net sales for Electronics were $2.72 billion for the nine months ended September 30, 2008, compared to $2.70 billion for the same period of 2007, representing an increase of $29 million. This increase included $245 million of favorable currency and $46 million of vehicle production volume and mix in Europe primarily related to higher volumes with Ford, Volkswagen 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 $2.29 billion and $2.32 billion for the nine-month periods ended September 30, 2008 and 2007, respectively, for a decrease of $26 million. This decrease includes lower customer production volumes of $112 million primarily due to Nissan in North America and Nissan/Renault and PSA in Europe, $65 million related to the Halewood Divestiture and closure of the Company’s Chicago, Illinois facility and net customer price reductions. These decreases were partially offset by favorable currency of $131 million, and revenue associated with customer agreements at certain of the Company’s UK operations.

Net sales for Other were $445 million in the first nine months of 2008, compared with $971 million in the first nine months of 2007, representing a decrease of $526 million. The decrease was attributable to divestitures and plant closures of $518 million, including the Chassis divestiture, the Visteon Powertrain Control Systems India 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 $345 million for the nine months ended September 30, 2008, compared with $407 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 $469 million for the nine months ended September 30, 2008, compared to $371 million for the same period of 2007, an increase of $98 million. The increase includes $176 million of net cost efficiencies achieved through manufacturing performance, purchasing improvement efforts and restructuring activities and commercial agreements, $70 million of favorable currency and $43 million related to OPEB and pension curtailments and settlements. These increases were partially offset by $87 million related to lower vehicle production volumes and unfavorable product mix, $93 million due to plant closures and divestitures and $8 million related to the non-recurrence of a 2007 benefit for share-based compensation.

Gross margin for Climate of $191 million for the nine months ended September 30, 2008 represents an increase of $46 million when compared to the same period of 2007. This increase includes $27 million related to net cost efficiencies achieved through manufacturing performance, purchasing improvement efforts and restructuring activities, $13 million related to real property asset sales, $13 million for the non-recurrence of 2007 accelerated depreciation and amortization and $13 million of favorable currency. These increases were partially offset by the non-recurrence of a 2007 curtailment gain of $14 million and lower sales volumes, primarily attributable to Ford North America.

Gross margin for Electronics was $217 million for the nine-month period ended September 30, 2008, compared with $175 million for the same period in 2007, representing an increase of $42 million. This increase includes $63 million related to net cost efficiencies achieved through manufacturing performance and purchasing improvement efforts, $36 million related to favorable currency and $7 million related to curtailment gains. These increases were partially offset by $49 million related to lower vehicle production volumes and the impact of past customer sourcing decisions and $15 million related to accelerated depreciation and amortization.

Gross margin for Interiors was $39 million for the nine months ended September 30, 2008, compared with $51 million for the same period of 2007, for a reduction of $12 million. The reduction includes $44 million related to lower vehicle production volumes, primarily in North America, and $12 million related to the non-recurrence of a 2007 building sale in the UK. These reductions were partially offset by $26 million related to net cost efficiencies and commercial agreements and by $17 million related to favorable currency.

Gross margin for Other was $19 million, or 4% of sales, for the nine months ended September 30, 2008, compared with $15 million for the same period of 2007, for an increase of $4 million. The effect of divestitures, plant closures and lower production volumes was more than offset by the restructuring savings resulting from those actions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $442 million in the first nine months of 2008, compared with $445 million in the first nine months of 2007, representing a decrease of $3 million or 1%. The decrease is primarily attributable to $63 million of cost efficiencies resulting from the Company's ongoing restructuring activities and $3 million of lower securitization expenses. This decrease was partially offset by $20 million of implementation costs associated with the Company's cost reduction activities, currency of $16 million, non-recurrence of an $11 million benefit in 2007 for share-based compensation and $15 million related to the non-recurrence of a 2007 customer bad debt recovery.

Restructuring Expenses and Reimbursement from Escrow Account

The Company recorded restructuring expenses of $117 million during the nine months ended September 30, 2008 for an increase of $28 million when compared to the same period of 2007. The Company recorded reimbursement for such costs of $81 million and $109 million during the nine months ended September 30, 2008 and 2007, respectively, pursuant to the terms of the Amended Escrow Agreement. The following is a summary of the Company's consolidated restructuring reserves and related activity as of and for the nine months ended September 30, 2008.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
December 31, 2007	$ 58	$ 23	$ 7	$ 24	$ 112
Expenses	36	13	1	67	117
Currency exchange	(2)	—	—	—	(2)
Utilization	(42)	(35)	(3)	(80)	(160)
September 30, 2008	$ 50	$ 1	$ 5	$ 11	$ 67

Restructuring expenses in addition to those incurred in the three months ended September 30, 2008 totaled $75 million and were entirely related to the previously announced multi-year improvement plan. Utilization for the nine months ended September 30, 2008 includes $111 million of payments for severance and other employee termination benefits, $36 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 $13 million of payments for contract termination, equipment relocation and other costs.

Asset Impairments and Loss on Divestitures

During the first nine months of 2008, the Company recorded asset impairments and loss on divestitures of $70 million, including $40 million related to the NA Aftermarket divestiture, $23 million related to the Swansea divestiture, and $7 million related to the Halewood divestiture and other assets.

Interest

Interest expense was $160 million for the nine months ended September 30, 2008 as compared to $163 million for the same period of 2007. The decrease is due to lower borrowing rates partially offset by higher debt levels. Interest income decreased by $2 million to a total of $38 million for the nine months ended September 30, 2008, when compared to the same period in 2007. The decrease in interest income is due to lower investment rates partially offset by higher global cash balances in 2008.

Income Taxes

The provision for income taxes of $131 million for the nine-month period ended September 30, 2008 represents an increase of $66 million when compared with $65 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 $28 million. Additionally, the year to date income tax expense was affected by a $52 million 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. These increases in tax expense were partially offset by a $9 million net reduction in unrecognized tax benefits.

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 CCC+. 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.

Global Credit Market Conditions

In the early part of 2008 as the United States economy began to soften, doubts were raised about the ability of borrowers to pay debts. As fuel and other commodity prices began to rise housing values began to fall, marginal loans were first to default, triggering the sub-prime lending crisis. Financial institutions responded by tightening their lending policies with respect to counterparties determined to have sub-prime mortgage risk. This tightening of institutional lending policies, caused the failure of major financial institutions late in the third quarter of 2008. Continued failures, losses, and write-downs at major financial institutions through October 2008 have intensified concerns about credit and liquidity risks and have resulted in a sharp reduction in overall market liquidity and broad governmental intervention. Continuation of such credit market constraints may increase the Company's costs of borrowing and could restrict the Company's access to 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 September 30, 2008 and December 31, 2007 the Company’s consolidated cash balances totaled $1.1 billion and $1.8 billion, respectively. Approximately 54% and 68% of these consolidated cash balances were located in the U.S. as of September 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.

Amended 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. On August 14, 2008 the Company and Ford amended the Escrow Agreement to provide that Ford would deposit an additional $50 million into the escrow account which would be immediately available to reimburse the Company for its restructuring and other qualified costs on a 100% basis. Subsequent to utilization of the additional $50 million the Company will continue to utilize the remainder of the funds on a 50% reimbursement basis until such time the investment earnings on those funds become available. The additional $50 million was funded into the escrow account by Ford in August 2008.

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. As of September 30, 2008, the Company had received cumulative reimbursements from the escrow account of $367 million and $117 million was available for reimbursement pursuant to the terms of the Amended Escrow Agreement.

Amended Reimbursement Agreement

Pursuant to the ACH Transactions, the Company and Ford entered into the Reimbursement Agreement whereby Ford would reimburse the Company for the first $50 million of separation costs incurred for the Company’s salaried employees who are leased to ACH and whose services are no longer required by ACH or a subsequent buyer. Ford would then reimburse up to one half of the next $200 million of such costs. Any unused portion of the $150 million as of December 31, 2009 was to be deposited into the escrow account governed by the Escrow Agreement.

On August 14, 2008, the Reimbursement Agreement was amended and restated to, among other things, require Ford to reimburse the Company in full for certain severance expenses and other qualifying termination benefits, as defined in such agreement, relating to the termination of salaried employees who were leased to ACH. Previously, the amount required to be reimbursed by Ford was capped at $150 million, of which the first $50 million was to be funded in total by Ford and the remaining $100 million was to be matched by the Company. Any unused portion of the $150 million as of December 31, 2009 was to be deposited into the escrow account governed by the Escrow Agreement. The Reimbursement Agreement was amended to eliminate the $150 million cap as well as the Company's obligation to match any costs during the term of the agreement. Further, Ford's obligation to deposit remaining funds into the escrow account was eliminated.

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 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 September 30, 2008, approximately $114 million of the Company's transferred receivables were considered eligible for borrowing under this facility, $93 million was outstanding and $21 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, as well as, the amount of eligible receivables, inventory and property and equipment available at security. 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 September 30, 2008, there were no outstanding borrowings under the revolving credit agreement. The total facility availability for the Company was $225 million, with $170 million of available borrowings under the facility after a reduction for $55 million of obligations under letters of credit.

Other Debt

As of September 30, 2008, the Company had availability on various other credit facilities of approximately $262 million. Certain of these balances are related to a number of the Company's non-U.S. operations, a portion of which are payable in non-U.S. currencies including, but not limited to, the Euro, Korean Won and Brazilian Real.

Cash Flows

Operating Activities

Cash used by operating activities during the nine months ended September 30, 2008 totaled $153 million, compared with $38 million for the same period in 2007. The increase in usage is attributable to higher net restructuring cash outflow, lower dividends from non-consolidated affiliates, an increase in recoverable tax assets, higher trade working capital outflow excluding change in receivables sold and higher interest payments. The increase in usage was partially offset by non-recurrence of a $67 million reduction in receivables sold in 2007 and lower net loss, as adjusted for certain non-cash items.

Investing Activities

Cash used by investing activities was $160 million during the nine months ended September 30, 2008, compared with $79 million for the same period in 2007. The increase in cash usage primarily resulted from lower proceeds from divestiture and asset sales. The proceeds from divestiture and asset sales for the nine months ended September 30, 2008, which included proceeds from the NA Aftermarket Divestiture, totaled $65 million compared to $159 million for the nine months ended September 30, 2007, which included proceeds from the Chassis divestiture. Capital expenditures, excluding capital leases, were $230 million in the nine months ended September 30, 2008 compared with $232 million in the same period of 2007.

Financing Activities

Cash used by financing activities totaled $268 million in the nine months ended September 30, 2008, compared with $452 million provided from financing activities in the same period of 2007. Cash used by financing activities in the nine months ended September 30, 2008 primarily resulted from the purchase of $344 million in aggregate principal amount of the Company’s 8.25% notes and issuance of $206.4 million in aggregate principal amount of New Notes, reductions in affiliate debt, a decrease in book overdrafts and dividends to minority shareholders. Cash provided from financing activities in the nine months ended September 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, dividends to minority shareholders and a decrease in book overdrafts.

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 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 September 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 SFAS 140 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 $237 million and $434 million as of September 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 September 30, 2008, approximately $114 million of the Company's transferred trade receivables were considered eligible for borrowing under this facility, $93 million was outstanding and $21 million was available for funding. The Company recorded losses of $5 million and $6 million for the nine-month periods ended September 30, 2008 and 2007, respectively, 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.

	September 30	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 434	$ 482
Receivables transferred	2,028	2,495
Proceeds from new securitizations	—	(41)
Proceeds from collections reinvested in securitization	(425)	(381)
Cash flows received on interest retained	(1,778)	(2,132)
Currency exchange	(22)	40
Ending balance	$ 237	$ 463

In October 2008, the Company amended and restated agreements related to the European Securitization to, among other things; include Visteon Electronics Corporation as a seller under the facility and remove Visteon UK Limited as the master service provider. In connection with these amendments, the Company regained control of previously transferred trade receivables and the Transferor will be consolidated in accordance with the requirements of FASB Interpretation 46(R), "Consolidation of Variable Interest Entities — an interpretation of ARB No. 51". Accordingly, upon consolidation, Visteon will account for transferred accounts receivable as secured borrowings and will recognize the related receivables and the obligations to third-party lenders on its consolidated balance sheet.

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.

Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "Fair Value Measurements," 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.

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 fair values of derivative instruments are determined 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 which 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, therefore are categorized as Level 2 assets or liabilities in the fair value hierarchy established by SFAS 157. 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 September 30, 2008.

The fair value of retained interests in accounts receivable transferred is based on an income approach that requires inputs that are both unobservable and significant to the overall fair value measurement, therefore are categorized as Level 3 assets under the fair value hierarchy established by SFAS 157. 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 $3 million.

New Accounting Standards

In October 2008, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position (“FSP”) No. FAS 157-3 (“FSP FAS 157-3”), “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active,” which clarifies the application of SFAS 157 in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS 157-3 became effective upon issuance and was adopted by the Company for the reporting period ending September 30, 2008 without material impact on its consolidated financial statements.

In September 2008, the FASB issued FASB Staff Position No. FAS 133-1 and FIN 45-4 (“FSP FAS 133-1 and FIN 45-4”), “Disclosures about Credit Derivatives and Certain Guarantees, an amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161.” This FSP requires disclosure of information about credit derivatives by sellers of credit derivatives and disclosure of the current status of the payment/performance risk of a guarantee. This FSP is effective for financial statements issued for reporting periods ending after November 15, 2008.

In March 2008, the 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 Statement of Financial Accounting Standards No. 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, “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 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.

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), as well as, general economic and market conditions; 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 32 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 September 30, 2008, the Company's coverage for projected transactions in these currencies was approximately 73%. As of September 30, 2008 and December 31, 2007, the net fair value of foreign currency forward and option contracts was an asset of $3 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 $39 million and $30 million as of September 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 33% and 37% of the Company's borrowings were effectively on a fixed rate basis as of September 30, 2008 and December 31, 2007, respectively. As of September 30, 2008 and December 31, 2007, the net fair value of interest rate swaps were liabilities of $2 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 September 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 September 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 September 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 September 30, 2008 that have materially affected the Company's internal controls over financial reporting. During the third quarter of 2008, the Company continued the implementation of a new enterprise resource planning system at two operating locations in North America. The planned information system upgrade is expected to be completed in 2010.

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

Visteon's common stock is currently listed on the New York Stock Exchange (the "NYSE"). In the future, the Company may not be able to meet the continued listing requirements of the NYSE. The continued listing requirements on the NYSE require, among other things: (i) that the average closing price of common stock be not less than $1.00 for 30 consecutive trading days and (ii) that market capitalization be not less than $75 million if at the same time shareholder equity is less than $75 million for 30 consecutive trading days. On October 21, 2008, the Company's market capitalization was $120 million and as of September 30, 2008 shareholder equity was a deficit of $530 million. Also, starting on October 21, 2008, the closing price of the Company's stock has been below $1.00. If Visteon is unable to satisfy the NYSE criteria for continued listing, the Company's common stock would be subject to delisting. A delisting of common stock could negatively impact the Company by reducing the liquidity and market price of common stock and reducing the number of investors willing to hold or acquire common stock, which could negatively impact the Company's ability to raise additional funds through equity financing.

For additional 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 fiscal year ended December 31, 2007 and Current Report on Form 8-K dated May 19, 2008. See also, "Cautionary Statements Regarding Forward-Looking Information" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

ITEM 5. OTHER INFORMATION

During September 2008, the Company commenced a voluntary separation incentive program to realign the Company's administrative organization structure. Following the close of that voluntary program on September 26, 2008, the Company commenced an involuntary salaried workforce reduction program. During the three months ended September 30, 2008, the Company recorded employee severance and termination benefit costs of $10 million associated with approximately 200 salaried employees in the United States, for which severance and termination benefits were deemed probable and estimable.

On October 24, 2008 and in response to worsening market conditions, management of the Company committed to significantly expand its involuntary salaried workforce reduction program. Under the expanded involuntary salaried workforce reduction program, the Company expects to reduce its global salaried workforce by more than 400 employees through the end of the first quarter of 2009. The Company expects to incur approximately $35 million in employee termination costs as a result of this workforce reduction.

All of these termination costs will result in future cash expenditures and will be subject to reimbursement from the escrow account in accordance with terms of the Amended Escrow Agreement. Additionally, the Company expects to record a net curtailment gain during the fourth quarter of 2008, related to the reduction in future service of employees affected by the voluntary and involuntary programs in related pension and OPEB benefit plans.

Effective as of October 30, 2008, the Company amended and restated certain agreements related to the European Securitization. The information set forth under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Off-Balance Sheet Arrangements — Asset Securitization" is incorporated herein by reference.

ITEM 6. EXHIBITS

See Exhibit Index on Page 60.

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: October 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 through October 3, 2008.*
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.*

Exhibit Number	Exhibit Name
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 Amended and Restated Three Year Executive Officer Change in Control Agreement.*
10.6.1	Schedule identifying substantially identical agreements to Amended and Restated 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, is incorporated herein by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 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.*
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.*

Exhibit Number	Exhibit Name
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 to the Amended and Restated Employment Agreement, effective as of March 1, 2007, between Visteon and Michael F. Johnston, is incorporated herein by reference to Exhibit 10.13.1 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2008.*
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 8-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.
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.

Exhibit Number	Exhibit Name
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, is incorporated herein by reference to Exhibit 10.20 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 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.
10.27.1	Amendment, dated as of August 14, 2008, to the Escrow Agreement, dated as of October 1, 2005, among Ford, Visteon and Deutsche Bank Trust Company Americas is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
10.28	Amended and Restated Reimbursement Agreement, dated as of August 14, 2008, 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 10.2 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
10.29.1	Third Amendment, dated as of August 14, 2008, to the Master Services Agreement, dated as of September 30, 2005, as amended, 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 August 20, 2008.
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.

Exhibit Number	Exhibit Name
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.
10.32.2	Amendment, dated as of August 14, 2008, to the Visteon Salaried Employee Lease Agreement, dated as of October 1, 2005, as amended, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
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.
10.38.2	Fourth Amendment, dated as of August 14, 2008, to the Intellectual Property Contribution Agreement, dated as of October 1, 2005, as amended, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, LLC and Automotive Components Holdings, Inc. is incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
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.

Exhibit Number	Exhibit Name
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.
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) is incorporated herein by reference to Exhibit 14.1 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2008.
15.1	Letter of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, dated October 30, 2008 relating to Unaudited Interim Financial Information.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer dated October 30, 2008.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer dated October 30, 2008.
32.1	Section 1350 Certification of Chief Executive Officer dated October 30, 2008.
32.2	Section 1350 Certification of Chief Financial Officer dated October 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 10.5

VISTEON CORPORATION

2004 INCENTIVE PLAN

(Effective as of May 12, 2004
and as amended through October 3, 2008)

Section 1. PURPOSE AND DEFINITIONS

(a) *Purpose.* This Plan, known as the "Visteon Corporation 2004 Incentive Plan", is intended to provide an incentive to certain employees and certain non-employees who provide services to Visteon Corporation and its subsidiaries, in order to encourage them to remain in the employ of the Company and its subsidiaries and to increase their interest in the Company's success. It is intended that this purpose be effected through awards or grants of stock options and various other rights with respect to shares of the Company's common stock, and through performance cash awards, as provided herein, to such eligible employees.

(b) *Definitions.* The following terms shall have the following respective meanings unless the context requires otherwise:

(1) The term "Affiliate" or "Affiliates" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(2) The term "Beneficial Owner" shall mean beneficial owner as set forth in Rule 13d-3 under the Exchange Act.

(3) The term "Board" shall mean the Board of Directors of Visteon Corporation.

(4) The term "Change in Control" shall mean the occurrence of any one of the following:

(A) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (C) below;

(B) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Plan, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(C) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

(D) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(E) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Plan.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

If a Plan Award is considered deferred compensation subject to the provisions of Code Section 409A, and if a payment under such Plan Award would be accelerated or otherwise triggered upon a “change in control”, then the foregoing definition is modified, to the extent necessary to avoid the imposition of an excise tax under Section 409A, to mean a “change in control event” as such term is defined for purposes of Code Section 409A.

(5) The term “Code” shall mean the Internal Revenue Code of 1986, or any successor thereto, as the same may be amended and in effect from time to time.

(6) The term “Committee” shall mean the committee appointed pursuant to Section 2 to administer the Plan.

(7) The term “Company” shall mean Visteon Corporation.

(8) The term “Covered Executive” shall mean an employee of the Company or any Subsidiary who, at the end of the Company’s tax year, is the principal executive officer of the Company (or the employee who acts in such capacity), or is among the three highest compensated officers of the Company or any Subsidiary (other than the Company’s principal executive officer or principal financial officer) whose compensation is required to be reported in the Summary Compensation Table of the Company’s Proxy Statement, or is employed in such other classification as the Internal Revenue Service determines to be a “covered executive” for purposes of Code Section 162(m).

(9) The term “Employee” shall mean an employee of the Company or any Subsidiary. The term “Employee” shall also be deemed to include any person who is an employee of any joint venture corporation or partnership, or comparable entity, in which the Company or Subsidiary has a substantial equity interest; provided such person was an employee of the Company or Subsidiary immediately prior to becoming employed by such entity, and designated non-employees who provide services to the Company or a Subsidiary. Notwithstanding the foregoing, with respect to the granting of an Option or Stock Appreciation Right, a person who is employed by or a non-employee service provider to a joint venture corporation, partnership or comparable entity in which the Company or a Subsidiary has an ownership interest shall be considered to be an Employee only if such corporation, partnership or entity itself constitutes a Subsidiary.

(10) The term “Exchange Act” shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same may be amended and in effect from time to time.

(11) The term “Fair Market Value” shall mean the average of the highest and lowest sale prices at which a share of Stock shall have been sold regular way on the New York Stock Exchange on the date of grant of any Option or Stock Appreciation Right or other relevant valuation date. In the event that any Option or Stock Appreciation Right shall be granted, or other relevant valuation date shall occur, on a date on which there were no such sales of Stock on the New York Stock Exchange, the Fair Market Value of a share of Stock shall be deemed to be the average of the highest and lowest sale prices on the next preceding day on which there were such sales.

(12) The term “Final Award” shall mean the amount of compensation to be awarded finally to the Participant who holds a Performance Cash Right pursuant to Section 3, the number of shares of Stock to be awarded finally to the Participant who holds a Performance Stock Right pursuant to Section 5, the number of shares of Restricted Stock to be retained by the Participant who holds Restricted Stock pursuant to Section 6, or the number of shares of Stock or the amount of compensation to be awarded finally to a Participant who holds Restricted Stock Units pursuant to Section 6, in each case as determined by the Committee taking into account the extent to which the Performance Goals have been satisfied.

(13) The term “Option” or “Options” shall mean the option to purchase Stock in accordance with Section 7 and such other terms and conditions as may be prescribed by the Committee. An Option may be either an “incentive stock option”, as such term is defined in the Code, or shall otherwise be designated as an option entitled to favorable treatment under the Code (“ISO”) or a “nonqualified stock option” (“NQO”). ISOs and NQOs are individually called an “Option” and collectively called “Options”.

(14) The term “Other Stock-Based Awards” shall mean awards of Stock or other rights made in accordance with Section 8.

(15) The term “Participant” shall mean an Employee who has been designated for participation in the Plan.

(16) The term “Performance Cash Right” shall mean the right to receive, pursuant to Section 3, a cash payment as described in the Participant’s award agreement, taking into account the Target Award and the Performance Formula, upon the attainment of one or more specified Performance Goals, subject to the terms and provisions of the award agreement and the Plan.

(17) The term “Performance Goals” shall mean, with respect to any Performance Cash Right, Performance Stock Right, performance-based Restricted Stock or performance-based Restricted Stock Unit granted to a Participant who is a Covered Executive, a performance measure that is based upon one or more of the following objective business criteria established by the Committee with respect to the Company and/or any Subsidiary, division, business unit or component thereof: asset charge, asset turnover, return on sales, capacity utilization, capital employed in the business, capital spending, cash flow, cost structure improvements, complexity reductions, customer loyalty, diversity, earnings growth, earnings per share, economic value added, environmental health and/or safety, facilities and tooling spending, hours per component, increase in customer base, inventory turnover, market price appreciation, market share, net cash balance, net income, net income margin, net operating cash flow, operating profit margin, order to delivery time, plant capacity, process time, profits before tax, quality, customer satisfaction, return on assets, return on capital, return on equity, return on net operating assets, return on sales, revenue growth, safety, sales margin, sales volume, total stockholder return, production per employee, warranty performance to budget, variable margin and working capital. With respect to any Right granted to a Participant who is not a Covered Executive, performance goals may be based on one or more of the business criteria described above or any other criteria based on individual, business unit, group or Company performance selected by the Committee. The Performance Goals may be expressed in absolute terms or relate to the performance of other companies or to an index.

(18) The term “Performance Formula” shall mean a formula to be applied in relation to the Performance Goals in determining the amount of cash earned under a Performance Cash Right granted pursuant to Section 3, the number of shares of Stock earned under a Performance Stock Right granted pursuant to Section 5, performance-based Restricted Stock granted pursuant to Section 6, or the amount of cash or shares of Stock earned under performance-based Restricted Stock Units granted pursuant to Section 6, in each case expressed as a percentage of the Target Award.

(19) The term “Performance Period” shall mean the period of time for which performance with respect to one or more Performance Goals with respect to any Performance Cash Right, Performance Stock Right, Restricted Stock or Restricted Stock Unit award is to be measured, with such period commencing not earlier than 90 days prior to the date of grant of such Right.

(20) The term “Performance Stock Right” shall mean the right to receive, pursuant to Section 5 and without payment to the Company, up to the number of shares of Stock described in the Participant’s award agreement upon the attainment of one or more specified Performance Goals, subject to the terms and provisions of the award agreement and the Plan.

(21) The term “Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Stock of the Company.

(22) The term “Plan” shall mean this Visteon Corporation 2004 Incentive Plan (formerly known as the Visteon Corporation 2000 Incentive Plan) as the same may be amended and in effect from time to time.

(23) The term “Plan Awards” shall mean awards of cash or grants of Performance Stock Rights, Restricted Stock, Restricted Stock Units, Options, Stock Appreciation Rights and various other rights with respect to shares of Stock.

(24) The term “Restricted Stock” means Stock issued to a Participant pursuant to Section 6 that is subject to forfeiture if one or more specified Performance Goals or minimum periods of service are not attained.

(25) The term “Restricted Stock Unit” means an award granted pursuant to Section 6 consisting of a unit credited to a hypothetical account, valued based on the Fair Market Value of Visteon Stock, and is subject to forfeiture if one or more specified Performance Goals or minimum periods of service are not attained.

(26) The term “Right” shall mean a Performance Cash Right, Performance Stock Right, a Restricted Stock award, or a Restricted Stock Unit, as required by the context.

(27) The term “Stock Appreciation Right” shall mean the right to receive, without payment to the Company, an amount of cash or Stock as determined in accordance with Section 7, based on the amount by which the Fair Market Value of a share of Stock on the relevant valuation date exceeds the grant price.

(28) The term “Subsidiary” shall mean (A) any corporation a majority of the voting stock of which is owned directly or indirectly by the Company or (B) any limited liability company a majority of the membership interest of which is owned, directly or indirectly, by the Company. In addition, solely for purposes of determining those individuals to whom an Option (other than an Option that is designated as an incentive stock option for purposes of the Code) or a Stock Appreciation Right may be granted, the term “Subsidiary” includes an entity that would be a Subsidiary if the preceding sentence were applied by substituting “at least twenty percent (20%)” in lieu of “at least fifty percent (50%)” if the Committee determines that there are legitimate business reasons for extending Options or Stock Appreciation Rights to individuals employed by such an entity.

(29) The term “Stock” shall mean shares of the Company’s common stock, par value $1.00 per share.

(30) The term “Target Award” shall mean the amount of compensation to be earned by a Participant under a Performance Cash Right or the number of shares of Stock, subject to adjustment pursuant to Section 13, to be earned by a Participant under a Performance Stock Right, if all of the Performance Goals with respect to such Right are achieved.

Section 2. ADMINISTRATION

(a) *Committee.* The Plan shall be administered by the Organization & Compensation Committee of the Board consisting of not less than two (2) members of the Board who meet the “outside” director requirements of Section 162(m) of the Code and the “non-employee director” requirements of Rule 16b-3(b)(3) of the Exchange Act, or by any other committee appointed by the Board, provided the members of such committee meet such requirements. The Committee shall administer the Plan and perform such other functions as are assigned to it under the Plan. The Committee is authorized, subject to the provisions of the Plan, from time to time, to establish such rules and regulations as it may deem appropriate for the proper administration of the Plan, and to make such determinations under, and such interpretations of, and to take such steps in connection with, the Plan and the Plan Awards as it may deem necessary or advisable, in each case in its sole discretion. The Committee’s decisions and determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not they are similarly situated. Any authority granted to the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any qualified performance based award to cease to qualify for exemption under Section 162(m) of the Code. To the extent that any permitted action taken by the Board conflicts with any action taken by the Committee, the Board action shall control.

(b) *Delegation of Authority.* The Committee may delegate any or all of its powers and duties under the Plan, including, but not limited to, its authority to make awards under the Plan or to grant waivers pursuant to Section 10, to one or more other committees (including a committee consisting of two or more corporate officers) as it shall appoint, pursuant to such conditions or limitations as the Committee may establish; *provided, however*, that the Committee shall not delegate its authority to (1) act on matters affecting any Participant who is subject to the reporting requirements of Section 16(a) of the Exchange Act, or the liability provisions of Section 16(b) of the Exchange Act (any such Participant being called a “Section 16 Person”) or (2) amend or modify the Plan pursuant to the provisions of Section 16(b). To the extent of any such delegation, the term “Committee” when used herein shall mean and include any such delegate.

(c) *Eligibility of Committee Members.* No person while a member of the Committee or any other committee of the Board administering the Plan shall be eligible to hold or receive a Plan Award.

Section 3. PERFORMANCE CASH RIGHTS

(a) *Grant of Performance Cash Rights.* The Committee, at any time and from time to time while the Plan is in effect, may grant or authorize the granting of Performance Cash Rights to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select and in such amount as it shall designate, subject to the provisions of this Section 3.

(b) *Maximum Awards.* The maximum amount granted to a Covered Executive as a Final Award with respect to all Performance Cash Rights granted during a calendar year shall be $10 million.

(c) *Terms and Provisions of Performance Cash Rights.* Prior to the grant of any Performance Cash Right, the Committee shall determine the terms and provisions of such Right, including, without limitation (1) the Target Award; (2) one or more Performance Goals to be used to measure performance under such Right, and the Performance Formula to be applied against the Performance Goals in determining the amount of compensation earned under such Right as a percentage of the Target Award; (3) the Performance Period, and (4) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals, Performance Formula and Target Award and otherwise modify the terms and provisions of a Right granted to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each Right shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(d) *Final Awards.* As soon as practicable following the completion of the Performance Period relating to any Performance Cash Right, but not later than 12 months following such completion, the Committee shall determine the extent to which the Performance Goals have been achieved and the amount of compensation to be awarded as a Final Award to the Participant who holds such Right. In making such determination, the Committee shall apply the applicable Performance Formula for the Participant for the Performance Period against the accomplishment of the related Performance Goals. The Committee may, in its sole discretion, reduce the amount of any Final Award that otherwise would be awarded to any Participant for any Performance Period. In addition, the Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive. Any such determination shall take into account (A) the extent to which the Performance Goals provided in such Right were, in the Committee's sole opinion, achieved, (B) the individual performance of such Participant during the related Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the date of grant of such Right. The Committee shall notify such Participant of such Participant's Final Award as soon as practicable following such determination.

(e) Following the determination of each Final Award, unless the Participant has elected to defer all or a portion of the Final Award in accordance with the procedures set forth in the Visteon Corporation Deferred Compensation Plan, the Final Award will be payable to the Participant in cash.

Section 4. STOCK AVAILABLE FOR PLAN AWARDS

(a) *Stock Subject to Plan.* The Stock that may be issued under the Plan may be either authorized and unissued or held in the treasury of the Company. The maximum number of shares of Stock that may be issued with respect to Plan Awards, subject to adjustment in accordance with the provisions of Section 13, shall be 21,800,000. Notwithstanding the foregoing, (1) the aggregate number of shares that may be issued upon exercise of ISOs shall not exceed 10,280,000 shares, subject to adjustment in accordance with the provisions of Section 13; (2) the maximum number of shares subject to Options, with or without any related Stock Appreciation Rights, or Stock Appreciation Rights (not related to Options) that may be granted pursuant to Section 7 to any Covered Executive during any calendar year prior to 2004 shall be 500,000, and for calendar years after 2003 shall be 1,000,000, subject to adjustment in accordance with the provisions of Section 13; and (3) the maximum number of shares of Stock that may be issued pursuant to such Performance Stock Rights and performance-based Restricted Stock Awards when combined with the number of performance-based Restricted Stock Units granted pursuant to Section 6 (whether such Restricted Stock Units are settled in cash or in Stock), to any Covered Executive during any calendar year prior to 2004 shall be 500,000 shares, and for calendar years after 2003 shall be 1 million shares and/or units, subject to adjustment in accordance with the provisions of Section 13.

(b) *Computation of Stock Available for Plan Awards.* For the purpose of computing the total number of shares of Stock remaining available for Plan Awards at any time while the Plan is in effect, and for the purpose of determining the maximum number of shares of Stock that remain available to be issued with respect to Performance Stock Rights, Restricted Stock Awards, Restricted Stock Units, and Other Stock-Based Awards under clause (3) of subsection (a) there shall be debited against the total number of shares determined to be available pursuant to subsections (a) and (c) of this Section 4, (1) the maximum number of shares of Stock subject to issuance upon exercise of Options or Stock Appreciation Rights granted under this Plan, (2) the maximum number of shares of Stock issued or issuable under Performance Stock Rights, Restricted Stock Awards and Restricted Stock Units granted under this Plan, and (3) the number of shares of Stock related to Other Stock-Based Awards granted under this Plan, as determined by the Committee in each case as of the dates on which such Plan Awards were granted, provided, however, that a Restricted Stock Unit or Other Stock-Based Award that is or may be settled only in cash shall not be counted against any of the share limits under this Section 4, except as required by Section 162(m) of the Code to preserve the status of an award as "performance-based compensation" as set forth under clause (4) of subsection (a) above.

(c) *Terminated, Expired or Forfeited Plan Awards.* The shares involved in the unexercised, undistributed or unvested portion of any terminated, expired or forfeited Plan Award shall be made available for further Plan Awards. Any shares of Stock made available for Plan Awards pursuant to this subsection (c) shall be in addition to the shares available pursuant to subsection (a) of this Section 4. Notwithstanding the foregoing, in the event any Option or Stock Appreciation Right granted to a Covered Executive is canceled, the number of shares of Stock subject to such canceled Option or Stock Appreciation Right shall continue to count against the individual limit specified in subsection (a), in accordance with the requirements of Code Section 162(m).

Section 5. PERFORMANCE STOCK RIGHTS

(a) *Grant of Performance Stock Rights.* The Committee, at any time and from time to time while the Plan is in effect, may grant, or authorize the granting of, Performance Stock Rights to such officers of the Company and any Subsidiary, and other Employees, whether or not members of the Board, as it may select and for such numbers of shares as it shall designate, subject to the provisions of this Section 5 and Section 4.

(b) *Terms and Provisions of Performance Stock Rights.* Prior to the grant of any Performance Stock Right, the Committee shall determine the terms and provisions of each Right, including, without limitation (1) the Target Award; (2) one or more Performance Goals to be used to measure performance under such Right, and the Performance Formula to be applied against the Performance Goals in determining the number of shares of Stock earned under such Right as a percentage of the Target Award; (3) the Performance Period; (4) the period of time, if any, during which the disposition of shares of Stock issuable under such Right shall be restricted as provided in subsection (a) of Section 11, *provided, however,* that the Committee may establish restrictions applicable to any Right at the time of or at any time prior to the granting of the related Final Award rather than at the time of granting such Right; and (5) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals, Performance Formula and Target Award and otherwise modify the terms and provisions of a Right granted to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each Right shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(c) *Dividend Equivalents on Rights.* If the Committee shall determine, each Participant to whom a Right is granted shall be entitled to receive payment of the same amount of cash that such Participant would have received as cash dividends if, on each record date during the Performance Period relating to such Right, such Participant had been the holder of record of a number of shares of Stock equal to 100% of the related Target Award (as adjusted pursuant to Section 13). Any such payment may be made at the same time as a dividend is paid or may be deferred until the date that a Final Award is determined, as determined by the Committee in its sole discretion. Such cash payments are hereinafter called "dividend equivalents". Notwithstanding anything to the contrary herein, if the Committee determines that dividend equivalents should be granted with respect to any "stock right" within the meaning of Code Section 409A, the terms and conditions of the dividend equivalent rights shall be set forth in writing, and to the extent that the dividend equivalents are considered deferred compensation subject to Code Section 409A, the writing shall include terms and conditions, including payment terms, that comply with the provisions of Code Section 409A.

(d) *Final Awards.*

(1) As soon as practicable following the completion of the Performance Period relating to any Performance Stock Right, but not later than 12 months following such completion, the Committee shall determine the extent to which the Participant achieved the Performance Goals and the number of shares of Stock to be awarded as a Final Award to the Participant who holds such Right. Each Final Award shall represent only full shares of Stock, and any fractional share that would otherwise result from such Final Award calculation shall be disregarded. In making such determination, the Committee shall apply the applicable Performance Formula for the Participant for the Performance Period against the accomplishment of the related Performance Goals. The Committee may, in its sole discretion, reduce the amount of any Final Award that otherwise would be awarded to any Participant for any Performance Period. In addition, the Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive. Any such determination shall take into account (A) the extent to which the Performance Goals provided in such Right was, in the Committee's sole opinion, achieved, (B) the individual performance of such Participant during the related Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the date of grant of such Right. The Committee shall notify such Participant of such Participant's Final Award as soon as practicable following such determination.

(2) Following the determination of each Final Award, the Company shall issue or cause to be issued certificates for the number of shares of Stock representing such Final Award, registered in the name of the Participant who received such Final Award. Such Participant shall thereupon become the holder of record of the number of shares of Stock evidenced by such certificates, entitled to dividends, voting rights and other rights of a holder thereof, subject to the terms and provisions of the Plan, including, without limitation, the provisions of this subsection (d) and Sections 10, 11 and 13. The Committee may require that such certificates bear such restrictive legend as the Committee may specify and be held by the Company in escrow or otherwise pursuant to any form of agreement or instrument that the Committee may specify. If the Committee has determined that deferred dividend equivalents shall be payable to a Participant with respect to any Performance Stock Right pursuant to subsection (c) of this Section 5, then concurrently with the issuance of such certificates, the Company shall deliver to such Participant a cash payment or additional shares of Stock in settlement of such dividend equivalents. Notwithstanding the foregoing, the Committee, in its sole discretion, may permit a Participant to defer receipt of a Final Award and to instead receive stock units under the Visteon Corporation Deferred Compensation Plan that represent hypothetical shares of Stock of the Company, or such other deemed investment made available by the Committee for this purpose. Any such election, if permitted by the Committee, must be made at such time and in such form as prescribed by the Committee, and is subject to such other terms and conditions as the Committee, in its sole discretion, may prescribe.

(3) Notwithstanding the provisions of this subsection (d) or any other provision of the Plan, the Committee may specify that a Participant's Final Award shall not be represented by certificates for shares of Stock but shall be represented by rights approximately equivalent (as determined by the Committee) to the rights that such Participant would have received if certificates for shares of Stock had been issued in the name of such Participant in accordance with subsection (d) (such rights being called "Stock Equivalents"). Subject to the provisions of Section 13 and the other terms and provisions of the Plan, if the Committee shall so determine, each Participant who holds Stock Equivalents shall be entitled to receive the same amount of cash that such Participant would have received as dividends if certificates for shares of Stock had been issued in the name of such Participant pursuant to subsection (d) covering the number of shares equal to the number of shares to which such Stock Equivalents relate. Notwithstanding any other provision of the Plan to the contrary, the Stock Equivalents representing any Final Award may, at the option of the Committee, be converted into an equivalent number of shares of Stock or, upon the expiration of any restriction period imposed on such Stock Equivalents, into cash, under such circumstances and in such manner as the Committee may determine.

Section 6. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

(a) *Grant of Restricted Stock.* The Committee, at any time and from time to time while the Plan is in effect, may grant, or authorize the granting of, Restricted Stock to such officers of the Company and any Subsidiary, and other Employees, whether or not members of the Board, as it may select. In lieu of, or in addition to, such Restricted Stock, the Committee may grant, or authorize the granting of, awards denominated in the form of Restricted Stock Units to such eligible Employees.

(b) *Terms and Provisions of Restricted Stock and Restricted Stock Units.* Subject to the provisions of the Plan, the Committee shall have the authority to determine the time or times at which Restricted Stock or Restricted Stock Units shall be granted and the number of shares of Restricted Stock or the number of Restricted Stock Units to be granted (subject to the provisions of Section 4). Prior to the grant of any Restricted Stock or Restricted Stock Units, the Committee shall determine such time-based or performance-based restrictions as the Committee shall deem appropriate, and all other terms and conditions of such Restricted Stock and Restricted Stock Units, including, without limitation (1) the number of shares of Restricted Stock or Restricted Stock Units to be issued; (2) in the case of time-based Restricted Stock or Restricted Stock Units, the minimum period of service required for the Participant to receive a Final Award; (3) in the case of performance-based Restricted Stock or performance-based Restricted Stock Units, one or more Performance Goals to be used to measure performance with respect to such Restricted Stock or Restricted Stock Units; (4) the Performance Period applicable to any such performance-based award; (5) whether Final Awards pursuant to such Restricted Stock Units shall be payable in Stock, cash or otherwise; (6) the period of time, if any, during which the disposition of the Restricted Stock or Final Award pursuant to a Restricted Stock Unit is restricted as provided in subsection (a) of Section 10, *provided*, *however*, that the Committee may establish restrictions applicable to Restricted Stock or Restricted Stock Units at the time of or at any time prior to the granting of the related Final Award rather than at the time of granting such Right; and (7) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals and otherwise modify the terms and provisions of the Restricted Stock grant or Restricted Stock Unit to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each grant of Restricted Stock or Restricted Stock Units shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(c) *Dividend and Dividend Equivalents.*

(1) During any period that Restricted Stock has been issued to the Participant and remains outstanding, the Participant shall be entitled to receive all dividends and other distributions paid with respect to the Restricted Stock. If any such dividends or distributions are paid in Stock and such distribution occurs when the restrictions applicable to such shares are still in effect, such shares shall be subject to the same restrictions as the Restricted Stock with respect to which they were paid.

(2) If the committee shall determine, each Participant to whom a Restricted Stock Unit is granted and remains outstanding shall be entitled to receive payment of the same amount of cash that such Participant would have received as cash dividends as if, on each record date during the minimum period of service or the Performance Period related to the Restricted Stock Unit, such Participant had been the holder of record of a number of shares of Stock equal to 100% of the Restricted Stock Units (as adjusted pursuant to Section 13). Any such payment may be made at the same time as a dividend is paid, or may be deferred until the date that a Final Award is determined, as determined by the Committee in its sole discretion. Such cash payments are hereinafter called “dividend equivalents.” Notwithstanding anything to the contrary herein, if the Committee determines that dividend equivalents should be granted with respect to any “stock right” within the meaning of Code Section 409A, the terms and conditions of the dividend equivalent rights shall be set forth in writing, and to the extent that the dividend equivalents are considered deferred compensation subject to Code Section 409A, the writing shall include terms and conditions, including payment terms, that comply with the provisions of Code Section 409A.

(d) *Voting Rights.* Subject to the restrictions established by the Committee pursuant to the Plan, Participants shall be entitled to vote Restricted Shares granted under this Section 6, unless and until such shares are forfeited pursuant to subsection (e) below. Participants shall have no voting rights with respect to Restricted Stock Units.

(e) *Final Awards.* As soon as practicable following the completion of the Performance Period relating to any Restricted Stock or Restricted Stock Unit, but not later than 12 months following such completion, the Committee shall determine (1) the extent to which the Participant achieved the minimum period of service, with respect to time-based awards, or the applicable Performance Goals, with respect to performance-based awards, (2) the number of shares of Restricted Stock to be retained as a Final Award by the Participant who holds such Restricted Stock, (3) the number of shares of Restricted Stock to be forfeited by such Participant, (4) the number of shares of Stock or amount of other compensation to be issued as a Final Award to the Participant who holds Restricted Stock Units, and (5) the number of Restricted Stock Units to be forfeited by such Participant. Each Final Award shall represent only full shares of Stock and any fractional share that would otherwise result from such Final Award calculation shall be forfeited. In making such determination, the Committee shall apply the applicable minimum period of service or Performance Goals that the Committee had established. The Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive by determining that the Participant should be allowed to retain some or all of the Restricted Stock that would otherwise be forfeited, or should receive Stock or other consideration for Restricted Stock Units that would otherwise be forfeited, notwithstanding the fact that the minimum period of service or Performance Goals were not satisfied in full. Any such determination shall take into account (A) the extent to which the Performance Goals that relate to such Restricted Stock or Restricted Stock Units were, in the Committee’s sole opinion, achieved, (B) the individual performance of such Participant during the related period of service or Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the date of grant of such Restricted Stock. The Committee shall notify such Participant of such Participant’s Final Award as soon as practicable following such determination.

(f) *Election of Deferred Stock Units.* The Committee, in its sole discretion, may permit a Participant to defer or otherwise exchange receipt of a Final Award relating to Restricted Stock or Restricted Stock Units and to instead receive stock units under the Visteon Corporation Deferred Compensation Plan that represent hypothetical shares of Stock of the Company, or such other deemed investment made available by the Committee for this purpose. Any such election, if permitted by the Committee, must be made at such time and in such form as prescribed by the Committee. If the Committee so permits and a Participant makes an appropriate election, the Participant's right to receive a benefit from the Visteon Corporation Deferred Compensation Plan based on such stock units is contingent upon attainment of the applicable minimum period of service or Performance Goals and such other terms and conditions as the Committee, in its sole discretion, may prescribe.

Section 7. OPTIONS AND STOCK APPRECIATION RIGHTS

(a) *Grant of Options.*

(1) The Committee, at any time and from time to time while the Plan is in effect, may authorize the granting of Options to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select, and for such numbers of shares as it shall designate, subject to the provisions of this Section 7 and Section 4. Each Option granted pursuant to the Plan shall be designated at the time of grant as either an ISO or an NQO.

(2) The date on which an Option shall be granted shall be the date of authorization of such grant or such later date as may be determined by the Committee at the time such grant is authorized. Any individual may hold more than one Option.

(b) *Price.* In the case of each Option granted under the Plan the option price shall be the Fair Market Value of Stock on the date of grant of such Option; *provided, however*, that the Committee may in its discretion fix an option price in excess of the Fair Market Value of Stock on such date.

(c) *Grant of Stock Appreciation Rights.*

(1) The Committee, at any time and from time to time while the Plan is in effect, may authorize the granting of Stock Appreciation Rights to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select, and for such numbers of shares as it shall designate, subject to the provisions of this Section 7 and Section 4. Each Stock Appreciation Right may relate to all or a portion of a specific Option granted under the Plan and may be granted concurrently with the Option to which it relates or at any time prior to the exercise, termination or expiration of such Option (a "Tandem SAR"), or may be granted independently of any Option, as determined by the Committee. If the Stock Appreciation Right is granted independently of an Option, the grant price of such right shall be the Fair Market Value of Stock on the date of grant; *provided, however*, that the Committee may, in its discretion, fix a grant price in excess of the Fair Market Value of Stock on such grant date.

(2) Upon exercise of a Stock Appreciation Right, the Participant shall be entitled to receive, without payment to the Company, either (A) that number of shares of Stock determined by dividing (i) the total number of shares of Stock subject to the Stock Appreciation Right being exercised by the Participant, multiplied by the amount by which the Fair Market Value of a share of Stock on the day the right is exercised exceeds the grant price (such amount being hereinafter referred to as the "Spread"), by (ii) the Fair Market Value of a share of Stock on the exercise date; or (B) cash in an amount determined by multiplying (i) the total number of shares of Stock subject to the Stock Appreciation Right being exercised by the Participant, by (ii) the amount of the Spread; or (C) a combination of shares of Stock and cash, in amounts determined as set forth in clauses (A) and (B) above, as determined by the Committee in its sole discretion; *provided, however*, that, in the case of a Tandem SAR, the total number of shares which may be received upon exercise of a Stock Appreciation Right for Stock shall not exceed the total number of shares subject to the related Option or portion thereof, and the total amount of cash which may be received upon exercise of a Stock Appreciation Right for cash shall not exceed the Fair Market Value on the date of exercise of the total number of shares subject to the related Option or portion thereof.

(d) *Terms and Conditions.*

(1) Each Option and Stock Appreciation Right granted under the Plan shall be exercisable on such date or dates, during such period, for such number of shares and subject to such further conditions as shall be determined pursuant to the provisions of the award agreement with respect to such Option and Stock Appreciation Right; *provided, however*, that a Tandem SAR shall not be exercisable prior to or later than the time the related Option could be exercised; and *provided, further*, that in any event no Option or Stock Appreciation Right granted prior to 2004 shall be exercised beyond ten years from the date of grant, no Option or Stock Appreciation Right granted after 2003 but prior to 2006 shall be exercised beyond five years from the date of grant, and no Option or Stock Appreciation Right granted after 2005 shall be exercised beyond seven years from the date of grant.

(2) The Committee may impose such conditions as it may deem appropriate upon the exercise of an Option or a Stock Appreciation Right, including, without limitation, a condition that the Stock Appreciation Right may be exercised only in accordance with rules and regulations adopted by the Committee from time to time.

(3) With respect to Options issued with Tandem SARs, the right of a Participant to exercise the Tandem SAR shall be cancelled if and to the extent the related Option is exercised, and the right of a Participant to exercise an Option shall be cancelled if and to the extent that shares covered by such Option are used to calculate shares or cash received upon exercise of the Tandem SAR.

(4) If any fractional share of Stock would otherwise be payable to a Participant upon the exercise of an Option or Stock Appreciation Right, the Participant shall be paid a cash amount equal to the same fraction of the Fair Market Value of the Stock on the date of exercise.

(e) *Award Agreement.* Each Option and Stock Appreciation Right shall be evidenced by an award agreement or notification in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

(f) *Payment for Option Shares.*

(1) Payment for shares of Stock purchased upon exercise of an Option granted hereunder shall be made, either in full or, if the Committee shall so determine and at the election of the Participant, in installments, in such manner as is provided in the applicable award agreement.

(2) Subject to applicable law and/or accounting expense implications, the consideration to be paid for shares of Stock purchased upon exercise of an Option granted hereunder shall be determined by the Committee, which, in addition to any other types of consideration the Committee may so determine, may include the acceptance of the following: (i) cash, (ii) the delivery or surrender of shares of Stock (including the withholding of Stock otherwise deliverable upon exercise of the Option), (iii) a “cashless” sale and remittance procedure executed through a broker-dealer, or (iv) any combination of the foregoing methods of payment. Any such shares of Stock so delivered or surrendered shall be valued at their Fair Market Value on the date of such exercise. The Committee shall determine whether and if so the extent to which actual delivery of share certificates to the Company shall be required.

Section 8. STOCK AND OTHER STOCK-BASED AWARDS

(a) *Grants of Other Stock-Based Awards.* The Committee, at any time and from time to time while the Plan is in effect, may grant Other Stock-Based Awards to such officers of the Company and its Subsidiaries and other Employees, whether or not members of the Board, as it may select. Such Plan Awards pursuant to which Stock is or may in the future be acquired, or Plan Awards valued or determined in whole or part by reference to, or otherwise based on, Stock, may include, but are not limited to, awards of restricted Stock (in addition to or in lieu of Restricted Stock under Section 6) or Plan Awards denominated in the form of “stock units” (in addition to or in lieu of Restricted Stock Units under Section 6), grants of so-called “phantom stock” and options containing terms or provisions differing in whole or in part from Options granted pursuant to Section 7. Other Stock-Based Awards may be granted either alone, in addition to, in tandem with or as an alternative to any other kind of Plan Award, grant or benefit granted under the Plan or under any other employee plan of the Company, including a plan of any acquired entity.

(b) *Terms and Conditions.* Subject to the provisions of the Plan, the Committee shall have the authority to determine the time or times at which Other Stock-Based Awards shall be made, the number of shares of Stock or stock units and the like to be granted or covered pursuant to such Plan Awards (subject to the provisions of Section 4) and all other terms and conditions of such Plan Awards, including, but not limited to, whether such Plan Awards shall be payable or paid in cash, Stock or otherwise.

(c) *Consideration for Other Stock-Based Awards.* In the discretion of the Committee, any Other Stock-Based Award may be granted as a Stock bonus for no consideration other than services rendered.

Section 9. CASH AWARDS TO EMPLOYEES OF FOREIGN SUBSIDIARIES OR BRANCHES OR JOINT VENTURES

In order to facilitate the granting of Plan Awards to Participants who are foreign nationals or who are employed outside of the United States of America, the Committee may provide for such special terms and conditions, including without limitation substitutes for Plan Awards, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Such substitutes for Plan Awards may include a requirement that the Participant receive cash, in such amount as the Committee may determine in its sole discretion, in lieu of any Plan Award or share of Stock that would otherwise have been granted to or delivered to such Participant under the Plan. The Committee may approve any supplements to, or amendments, restatements or alternative versions of the Plan as it may consider necessary or appropriate for purposes of this Section 9 without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such documents as having been approved and adopted pursuant to properly delegated authority; *provided, however*, that no such supplements, amendments, restatements or alternative versions shall include any provision that is inconsistent with the terms of the Plan as then in effect. Participants subject to the laws of a foreign jurisdiction may request copies of, or the right to view, any materials that are required to be provided by the Company pursuant to the laws of such jurisdiction.

Section 10. PAYMENT OF PLAN AWARDS AND CONDITIONS THEREON

(a) *Effect of Competitive Activity.* Anything contained in the Plan to the contrary notwithstanding, if the employment of any Participant shall terminate, for any reason other than death, while any Plan Award granted to such Participant is outstanding hereunder, and such Participant has not yet received the Stock or cash covered by such Plan Award or otherwise received the full benefit of such Plan Award, such Participant, if otherwise entitled thereto, shall receive such Stock, cash or benefit only if, during the entire period from the date of such Participant's termination to the date of such receipt, such Participant shall have (1) made himself or herself available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company or any Subsidiary with respect to any matter that shall have been handled by him or her or under his or her supervision while he or she was in the employ of the Company or of any Subsidiary, and (2) refrained from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary.

(b) *Nonfulfillment of Competitive Activity Conditions: Waivers Under the Plan.* In the event of a Participant's nonfulfillment of any condition set forth in subsection (a) of this Section 10, such Participant's rights under any Plan Award shall be forfeited and cancelled forthwith; *provided*, *however*, that the nonfulfillment of such condition may at any time (whether before, at the time of or subsequent to termination of employment) be waived in the following manner:

(1) with respect to any such Participant who at any time shall have been a Section 16 Person, such waiver may be granted by the Committee upon its determination that in its sole judgment there shall not have been and will not be any substantial adverse effect upon the Company or any Subsidiary by reason of the nonfulfillment of such condition; and

(2) with respect to any other such Participant, such waiver may be granted by the Committee (or any delegate thereof) upon its determination that in its sole judgment there shall not have been and will not be any such substantial adverse effect.

(c) *Effect of Detrimental Conduct.* Anything contained in the Plan to the contrary notwithstanding, all rights of a Participant under any Plan Award shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner detrimental to the best interests of the Company or any Subsidiary.

(d) *Tax and Other Withholding.* Prior to any distribution of cash, Stock or Other Stock-Based Awards (including payments under Section 5(c)) to any Participant, appropriate arrangements (consistent with the Plan and any rules adopted hereunder) shall be made for the payment of any taxes and other amounts required to be withheld by federal, state or local law.

(e) *Substitution.* The Committee, in its sole discretion, may substitute a Plan Award (except ISOs) for another Plan Award or Plan Awards of the same or different type; provided, however, that the Committee shall not, without shareholder approval, substitute Options or any other Plan Award for outstanding Options with a higher price than the substitute Option or other Plan Award.

(f) *Section 409A Separation from Service*. For purposes of any Plan Award that is subject to Code Section 409A and with respect to which the terms and conditions of the Plan Award, as determined by the Committee (or if applicable, elected by the Participant) at the time of grant provide for distribution or settlement of the Plan Award upon the Participant's termination of employment, the Participant will be deemed to have terminated employment on the date on which the Participant incurs a "separation from service" within the meaning of Code Section 409A.

Section 11. NON-TRANSFERABILITY OF PLAN AWARDS; RESTRICTIONS ON DISPOSITION AND EXERCISE OF PLAN AWARDS

(a) *Restrictions on Transfer of Rights or Final Awards.* No Performance Cash Right, Performance Stock Right, Restricted Stock Unit or, until the expiration of any restriction period imposed by the Committee, no shares of Stock acquired under the Plan, shall be transferred, pledged, assigned or otherwise disposed of by a Participant, except as permitted by the Plan, without the consent of the Committee, otherwise than by will or the laws of descent and distribution; *provided, however,* that the Committee may permit, on such terms as it may deem appropriate, use of Stock included in any Final Award as partial or full payment upon exercise of an Option under the Plan or a stock option under any other stock option plan of the Company prior to the expiration of any restriction period relating to such Final Award.

(b) *Restrictions on Transfer of Options or Stock Appreciation Rights.* Unless the Committee determines otherwise, no Option or Stock Appreciation Right shall be transferable by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of a Participant the Option or Stock Appreciation Right shall be exercisable only by such Participant or such Participant's guardian or legal representative; provided, however, that no Option or Stock Appreciation Right shall be transferred for consideration.

(c) *Restrictions on Transfer of Certain Other Stock-Based Awards.* Unless the Committee determines otherwise, no Other Stock-Based Award shall be transferable by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of a Participant any such Other Stock-Based Award shall be exercisable only by such Participant or such Participant's guardian or legal representative.

(d) *Attachment and Levy.* No Plan Award shall be subject, in whole or in part, to attachment, execution or levy of any kind, and any purported transfer in violation hereof shall be null and void. Without limiting the generality of the foregoing, no domestic relations order purporting to authorize a transfer of a Plan Award, or to grant to any person other than the Participant the authority to exercise or otherwise act with respect to a Plan Award, shall be recognized as valid.

Section 12. DESIGNATION OF BENEFICIARIES

Anything contained in the Plan to the contrary notwithstanding, a Participant may file with the Company a written designation of a beneficiary or beneficiaries under the Plan, subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee from time to time may prescribe. A Participant may from time to time revoke or change any such designation of beneficiary. If a Participant designates his spouse as a Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. Any designation of a beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; *provided*, *however*, that if the Committee shall be in doubt as to the entitlement of any such beneficiary to receive any Right, Final Award, Restricted Stock, Restricted Stock Unit, Option, Stock Appreciation Right, or Other Stock-Based Award, or if applicable law requires the Company to do so, the Committee may recognize only the legal representative of such Participant, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone. In the event of the death of any Participant, the term "Participant" as used in the Plan shall thereafter be deemed to refer to the beneficiary designated pursuant to this Section 12 or, if no such designation is in effect, the executor or administrator of the estate of such Participant, unless the context otherwise requires.

Section 13. MERGER, CONSOLIDATION, STOCK DIVIDENDS, ETC.

(a) *Adjustments.* In the event of any merger, consolidation, reorganization, stock split, stock dividend or other event affecting Stock, an appropriate adjustment shall be made in the total number of shares available for Plan Awards and in all other provisions of the Plan that include a reference to a number of shares or units, and in the numbers of shares or units covered by, and other terms and provisions (including but not limited to the grant or exercise price of any Plan Award) of outstanding Plan Awards.

(b) *Committee Determinations.* The foregoing adjustments and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion. Any such adjustment may provide for the elimination of any fractional share which might otherwise become subject to a Plan Award.

Section 14. ACCELERATION OF PAYMENT OR MODIFICATION OF PLAN AWARDS

(a) *Acceleration and Modification.* The Committee, in the event of the death of a Participant or in any other circumstance, may accelerate distribution of any Plan Award in its entirety or in a reduced amount, in cash or in Stock, or modify any Plan Award, in each case on such basis and in such manner as the Committee may determine in its sole discretion. Notwithstanding the foregoing, unless determined otherwise by the Committee, any such action shall be taken in a manner that will enable a Plan Award that is intended to be exempt from Code Section 409A to continue to be so exempt, or to enable a Plan Award that is intended to comply with Code Section 409A to continue to so comply.

(b) *Change in Control.* Notwithstanding any other provision of the Plan, unless the Committee determines otherwise at the time of grant, upon the occurrence of a Change in Control, (1) any Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have been completed as of the date of the Change in Control, but that have not yet been paid, shall be paid in accordance with the terms of such Plan Awards, (2) any Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have not been completed as of the date of the Change in Control, and that are not then vested, shall become fully vested if vesting is based solely upon the length of the employment relationship as opposed to the satisfaction of one or more Performance Goals, and (3) any other Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have not been completed as of the date of the Change in Control, and that are not then vested, shall be treated as vested and earned pro rata, as if the Performance Goals for the Target Award associated with a Performance Cash Right or a Performance Stock Right or the Performance Goals with respect to Restricted Stock, Restricted Stock Units or Other Stock Based Awards are attained as of the effective date of the Change in Control, by taking the product of (A) the Target Award (in the case of a Performance Cash Right or a Performance Stock Right) or the number of shares of Restricted Stock, Restricted Stock Units or Other Stock Based Awards granted to the Participant, and (B) a fraction, the numerator of which is the number of full or partial months that have elapsed from the beginning of the Performance Period to the date of the Change in Control and the denominator of which is the total number of months in the original Performance Period; *provided, however*, that any such Plan Award shall be immediately vested and payable to the Participant to the extent of the foregoing formula, and shall be free of all restrictions and conditions that would otherwise apply to such Plan Award. The foregoing provisions are subject to the terms of any employment contract governing the employment of a Participant to the extent that such contract provides greater rights to the Participant in the event of a Change in Control. Notwithstanding the foregoing provisions of Section 14(b), unless determined otherwise by the Committee, Section 14(b) shall be applied in a manner that will enable a Plan Award that is intended to be exempt from Code Section 409A to continue to be so exempt, or to enable a Plan Award that is intended to comply with Code Section 409A to continue to so comply.

(c) *Maximum Payment Limitation.* If any portion of the payments or benefits described in this Plan or under any other agreement with or plan of the Company (in the aggregate, “Total Payments”), would constitute an “excess parachute payment”, then the Total Payments to be made to the Participant shall be reduced such that the value of the aggregate Total Payments that the Participant is entitled to receive shall be one dollar ($1) less than the maximum amount which the Participant may receive without becoming subject to the tax imposed by Section 4999 of the Code or which the Company may pay without loss of deduction under Section 280G(a) of the Code; provided that this Section shall not apply in the case of a Participant who has in effect a valid employment contract providing that the Total Payments to the Participant shall be determined without regard to the maximum amount allowable under Section 280G of the Code. The terms “excess parachute payment” and “parachute payment” shall have the meanings assigned to them in Section 280G of the Code, and such “parachute payments” shall be valued as provided therein. Present value shall be calculated in accordance with Section 280G(d)(4) of the Code. Within forty (40) days following delivery of notice by the Company to the Participant of its belief that there is a payment or benefit due the Participant which will result in an excess parachute payment as defined in Section 280G of the Code, the Participant and the Company, at the Company’s expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel selected by the Company’s independent auditors and acceptable to the Participant in his sole discretion (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments and (C) the amount and present value of any excess parachute payments determined without regard to the limitations of this Section. As used in this Section, the term “Base Period Income” means an amount equal to the Participant’s “annualized includible compensation for the base period” as defined in Section 280G(d)(1) of the Code. For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company’s independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code, which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Participant. Such opinion shall be addressed to the Company and the Participant and shall be binding upon the Company and the Participant. If such opinion determines that there would be an excess parachute payment, the payments hereunder that are includible in Total Payments or any other payment or benefit determined by such counsel to be includible in Total Payments shall be reduced or eliminated as specified by the Participant in writing delivered to the Company within thirty days of his receipt of such opinion or, if the Participant fails to so notify the Company, then as the Company shall reasonably determine, so that under the bases of calculations set forth in such opinion there will be no excess parachute payment. If such legal counsel so requests in connection with the opinion required by this Section, the Participant and the Company shall obtain, at the Company’s expense, and the legal counsel may rely on in providing the opinion, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Participant. If the provisions of Sections 280G and 4999 of the Code (or any successor provisions) are repealed without succession, then this Section shall be of no further force or effect.

Section 15. RIGHTS AS A STOCKHOLDER

Except with respect to shares of Restricted Stock, a Participant shall not have any rights as a stockholder with respect to any share covered by any Plan Award until such Participant shall have become the holder of record of such share.

Section 16. TERM, AMENDMENT, MODIFICATION AND TERMINATION OF THE PLAN AND AGREEMENTS

(a) *Term.* Unless terminated earlier pursuant to subsection (b), the Plan shall terminate on May 11, 2014.

(b) *Amendment, Modification and Termination of Plan.* The Board may, from time to time, amend or modify the Plan or any outstanding Plan Award, including without limitation, to authorize the Committee to make Plan Awards payable in other securities or other forms of property of a kind to be determined by the Committee, and such other amendments as may be necessary or desirable to implement such Plan Awards, or may terminate the Plan or any provision thereof; *provided, however*, that no such action of the Board, without approval of the stockholders, may (1) increase the total number of shares of Stock with respect to which Plan Awards may be granted under the Plan or the individual limits specified in Section 4(a), (2) increase the total amount that may be paid to an individual with respect to a Performance Cash Award, as specified in Section 3(b), (3) extend the term of the Plan as set forth in paragraph (a) of this Section 16, (4) permit any person while a member of the Committee or any other committee of the Board administering the Plan to be eligible to receive or hold a Plan Award, or (5) permit the Company to decrease the grant price of any outstanding Option or Stock Appreciation Right.

(c) *Limitation and Survival.* No amendment to or termination of the Plan or any provision hereof, and no amendment or cancellation of any outstanding Plan Award, by the Board or the stockholders of the Company, shall, without the written consent of the affected Participant, adversely affect any outstanding Plan Award. The Committee's authority to act with respect to any outstanding Plan Award shall survive termination of the Plan.

(d) *Amendments for Changes in Law.* Notwithstanding the foregoing provisions, the Board shall have the authority to amend outstanding Plan Awards and the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Plan Awards that qualify for beneficial treatment under such rules, without stockholder approval. Further, the provisions of Code Section 409A are incorporated into the Plan by reference to the extent necessary for any Plan Award that is subject to Code Section 409A to comply with such requirements, and except as otherwise determined by the Committee, the Plan shall be administered in accordance with Section 409A as if the requirements of Code Section 409A were set forth herein.

Section 17. INDEMNIFICATION AND EXCULPATION

(a) *Indemnification.* Each person who is or shall have been a member of the Board, the Committee, or of any other committee of the Board administering the Plan or of any committee appointed by the foregoing committees, shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be or become a party or in which such person may be or become involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof (with the Company's written approval) or paid by such person in satisfaction of a judgment in any such action, suit or proceeding, except a judgment in favor of the Company based upon a finding of such person's lack of good faith; *subject, however,* to the condition that, upon the institution of any claim, action, suit or proceeding against such person, such person shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's behalf. The foregoing right of indemnification shall not be exclusive of any other right to which such person may be entitled as a matter of law or otherwise, or any power that the Company may have to indemnify or hold such person harmless.

(b) *Exculpation.* Each member of the Board, the Committee, or of any other committee of the Board administering the Plan or any committee appointed by the foregoing committees, and each officer and employee of the Company, shall be fully justified in relying or acting in good faith upon any information furnished in connection with the administration of the Plan by any appropriate person or persons other than such person. In no event shall any person who is or shall have been a member of the Board, the Committee, or of any other committee of the Board administering the Plan or of any committee appointed by the foregoing committees, or an officer or employee of the Company, be held liable for any determination made or other action taken or any omission to act in reliance upon any such information, or for any action (including the furnishing of information) taken or any failure to act, if in good faith.

Section 18. EXPENSES OF PLAN

The entire expense of offering and administering the Plan shall be borne by the Company and its participating Subsidiaries; *provided*, that the costs and expenses associated with the redemption or exercise of any Plan Award, including but not limited to commissions charged by any agent of the Company, may be charged to the Participants.

Section 19. FINALITY OF DETERMINATIONS

Each determination, interpretation, or other action made or taken pursuant to the provisions of the Plan by the Board, the Committee or any committee of the Board administering the Plan or any committee appointed by the foregoing committees, shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, the stockholders, the Committee and each of the members thereof, and the directors, officers, and employees of the Company and its Subsidiaries, the Participants, and their respective successors in interest.

Section 20. NO RIGHTS TO CONTINUED EMPLOYMENT OR TO PLAN AWARD

(a) *No Right to Employment.* Nothing contained in this Plan, or in any booklet or document describing or referring to the Plan, shall be deemed to confer on any Participant the right to continue as an Employee or director of the Company or Subsidiary, whether for the duration of any Performance Period, the duration of any vesting period under a Plan Award, or otherwise, or affect the right of the Company or Subsidiary to terminate the employment of any Participant for any reason.

(b) *No Right to Award.* No Employee or other person shall have any claim or right to be granted a Plan Award under the Plan. Having received an Award under the Plan shall not give a Participant or any other person any right to receive any other Plan Award under the Plan. A Participant shall have no rights in any Plan Award, except as set forth herein and in the applicable award grant.

Section 21. GOVERNING LAW AND CONSTRUCTION

The Plan and all actions taken hereunder shall be governed by, and the Plan shall be construed in accordance with, the laws of the State of Delaware without regard to the principle of conflict of laws. Titles and headings to Sections are for purposes of reference only, and shall in no way limit, define or otherwise affect the meaning or interpretation of the Plan.

Section 22. SECURITIES AND STOCK EXCHANGE REQUIREMENTS

(a) *Restrictions on Resale.* Notwithstanding any other provision of the Plan, no person who acquires Stock pursuant to the Plan may, during any period of time that such person is an affiliate of the Company (within the meaning of the rules and regulations of the Securities Exchange Commission) sell or otherwise transfer such Stock, unless such offer and sale or transfer is made (1) pursuant to an effective registration statement under the Securities Act of 1933 ("1933 Act"), which is current and includes the Stock to be sold, or (2) pursuant to an appropriate exemption from the registration requirements of the 1933 Act, such as that set forth in Rule 144 promulgated pursuant thereto.

(b) *Registration, Listing and Qualification of Shares of Common Stock.* Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Stock covered by a Plan Award upon any securities exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Plan Award or the purchase or receipt of Stock in connection therewith, no Stock may be purchased, delivered or received pursuant to such Plan Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any person receiving or purchasing Stock pursuant to a Plan Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Stock under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation, or requirement.

EXHIBIT 10.6

THREE YEAR EXECUTIVE OFFICER
CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, which was originally effective ___________ (the "Effective Date") and is hereby amended and restated effective as of October 3, 2008 (the "Restatement Date"), is made by and between **Visteon Corporation**, a Delaware corporation (the "Company"), and __________ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continued employment of key management personnel; and

WHEREAS, the Board recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and shall continue in effect through the fifth anniversary of the Effective Date; provided, however, that commencing on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the Term shall automatically be extended for one additional year unless, not later than 90 days prior to each such date, the Company or the Executive shall have given notice not to extend the Term; and provided, further, that if a Change in Control shall have occurred during the Term, the Term shall expire no earlier than 36 months beyond the month in which such Change in Control occurred.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4 hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 9.1 hereof, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 6.1 hereof, there shall be deemed to have been) a termination of the Executive's employment with the Company following a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. The Executive's Covenants.

4.1 The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the Term, the Executive will remain in the employ of the Company until the earliest of (i) a date which is six months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.

4.2 The Executive agrees that, during the Term and for a period ending on the second anniversary of a termination of the Executive's employment following a Change in Control under circumstances entitling the Executive to payments and benefits under Section 6 hereof, the Executive will not, without the prior written consent of the Chairman of the Board or the Chief Executive Officer of the Company, engage in or perform any services of a similar nature to those performed by the Executive at the Company for any other corporation or business which is primarily engaged in the design, manufacture, development, promotion or sale of climate, instrument and door panels or electronic components for the automotive industry within North America, Latin America, Asia, Australia or Europe in competition with the Company or any of the Company's subsidiaries or Affiliates, or any joint ventures to which the Company or any of the Company's subsidiaries or Affiliates are a party.

4.3 During the Term and thereafter, the Executive will not (other than in the regular course and in furtherance of the Company's business) divulge, furnish or make available to any person any confidential knowledge, information or materials, whether tangible or intangible, regarding proprietary matters relating to the Company, including, without limitation, trade secrets, customer and supplier lists, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition or disposition plans, new personnel employment plans, methods of manufacture, technical processes, designs and design projects, inventions and research projects and financial budgets and forecasts of the Company except (1) information which at the time is available to others in the business or generally known to the public other than as a result of disclosure by the Executive not permitted hereunder, and (2) when required to do so by a court of competent jurisdiction, by any governmental agency or by any administrative body or legislative body (including a committee thereof) with purported or apparent jurisdiction to order the Executive to divulge, disclose or make accessible such information.

5. Compensation Other Than Severance Payments.

5.1 Following a Change in Control and during the Term, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of incapacity due to physical or mental illness, the Company shall pay to the Executive an amount that when added to the amount paid to the Executive under the Company's short-term and/or long-term disability plans, will result in the Executive receiving his full salary at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any other compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company for Disability.

5.2 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.3 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

6. Severance Payments.

6.1 If (i) the Executive's employment is terminated following a Change in Control and within three (3) years after a Change in Control, other than (A) by the Company for Cause, (B) by reason of death or Disability, or (C) by the Executive without Good Reason, or (ii) the Executive voluntarily terminates his employment for any reason during the 30 day period commencing on the first anniversary of a Change in Control, then, in either such case, the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 6.1 ("Severance Payments") and Section 6.2, in addition to any payments and benefits to which the Executive is entitled under Section 5 hereof. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated following a Change in Control by the Company without Cause or by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control ever occurs) and such termination was at the request or direction of a Person who has entered into an agreement with the Company the consummation of which would constitute a Change in Control, or (ii) the Executive terminates his employment for Good Reason prior to a Change in Control (whether or not a Change in Control ever occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person. For purposes of any determination regarding the applicability of the immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that such position is not correct.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay to the Executive, on the first day of the seventh (7^{th}) month following the month in which occurs the Executive's Separation from Service, a lump sum severance payment, in cash, equal to three (3) times the sum of (i) the Executive's base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, and (ii) the Executive's target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason. The amount payable pursuant to this Section 6.1(A) shall be reduced by the amount of any cash severance or salary continuation benefit paid or payable to the Executive under any other plan, policy or program of the Company or any of its Affiliates or any written employment agreement between the Executive and the Company or any of its Affiliates.

(B) For the 36 month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and his dependents life, accident and health insurance benefits substantially similar to those provided to the Executive and his dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive and his dependents immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive immediately prior to such date or occurrence; provided, however, that, unless the Executive consents to a different method (after taking into account the effect of such method on the calculation of "parachute payments" pursuant to Section 6.2 hereof), such health and life insurance benefits shall be provided through a third-party insurer. Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent benefits of the same type are received by or made available to the Executive during the 36 month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over such cost immediately prior to the Date of Termination or, if more favorable to the Executive, the first occurrence of an event or circumstance constituting Good Reason.

(i) If accident and health insurance benefits are provided, with the Executive's consent, under a health plan that is subject to Section 105(h) of the Code, then, for any period of coverage following the end of the continuation period required under Sections 601 through 609 of the Employee Retirement Income Security Act of 1974, as amended, the benefits payable under such health plan shall comply with the requirements of Sections 1.409A-3(i)(1)(A) and (B) of the Treasury regulations and, if and to the extent necessary, the Company shall amend such health plan to comply therewith;

(ii) Notwithstanding anything in this Section 6.1(B) to the contrary, with respect to the first six (6) months following the Executive's Separation from Service, if the premiums payable by the Company for group term life insurance on the Executive's life exceeds the amount of the "limited payments" exemption set forth in Section 1.409A-1(b)(9)(v)(B) of the Income Tax Regulations (or any successor provision thereto), then, to the extent required in order to comply with Code Section 409A, the Executive, in advance, shall pay to the Company an amount equal to the premiums for any such life insurance policy, other than with respect to life insurance coverage to which the Executive would be entitled independent of this Agreement. Promptly following the end of such six (6) month period, the Company will make a cash payment to the Executive equal to the difference between the aggregate amount paid by the Executive for such coverage and the amount that the Executive would have paid for such life insurance coverage if such cost had been determined pursuant to this Section 6.1(B) other than this subparagraph (ii).

(C) Each option to purchase shares of common stock of the Company outstanding as of the Date of Termination shall become fully vested and exercisable as of such date and shall remain exercisable during the shorter of (i) the remaining term of such option (such remaining term to be determined as if the Executive were still actively employed) or (ii) ten (10) years from the date on which the option originally was granted, and each grant of restricted stock or similar grant, the award of which is contingent only upon the continued employment of the Executive to a subsequent date, shall become fully vested as of the Date of Termination.

(D) Unless payable to the Executive under the terms of any annual or long-term incentive plan, the Company shall pay to the Executive, on the first day of the seventh (7^{th}) month following the month in which occurs the Executive's Separation from Service, a lump sum amount, in cash, equal to the sum of (i) any unpaid incentive compensation (including performance share awards) which has been allocated or awarded to the Executive for a completed fiscal year or other measuring period preceding the Date of Termination under any such plan and which, as of the Date of Termination, is contingent only upon the continued employment of the Executive to a subsequent date, and (ii) a pro rata portion to the Date of Termination of the aggregate value of all contingent incentive compensation awards (including performance share awards) to the Executive for all then uncompleted periods under any such plan, calculated as to each such award by multiplying the award that the Executive would have earned on the last day of the performance award period, assuming the achievement, at the target level (or if higher, at the then projected actual final level), of the individual and corporate performance goals established with respect to such award, by the fraction obtained by dividing the number of full months and any fractional portion of a month during such performance award period through the Date of Termination by the total number of months contained in such performance award period. Notwithstanding the forgoing, if and to the extent the Executive had elected to defer receipt of any such award, and if the Executive's deferral election is irrevocable as of the Date of Termination for purposes of Code Section 409A, the amount calculated above shall be credited to the Executive's account under the applicable deferred compensation plan in lieu of being distributed directly to the Executive.

(E) The benefits then accrued by or payable to the Executive under the Company's Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, Deferred Compensation Plan, Pension Parity Plan, or any successor to any such plan, and the benefits then accrued by or payable to the Executive under any other nonqualified plan providing supplemental retirement or deferred compensation benefits shall become fully vested notwithstanding any eligibility conditions that would otherwise apply with respect to such benefits and the benefit, as so vested, will be paid in accordance with the terms of the applicable plan or program; provided that if the Executive has not attained fifty-five (55) years of age, the Executive's benefit under the Executive Separation Allowance Plan will commence to be paid upon the Executive's attainment of age fifty-five (55). With respect to the Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, and any other nonqualified nonaccount balance plan or portion of a plan providing supplemental retirement or deferred compensation benefits, the Company shall transfer an amount in cash sufficient to pay all benefits then accrued by or payable to the Executive under the terms of such plans into an irrevocable grantor trust (a so-called "Rabbi Trust") whose trustee shall be an entity unaffiliated with and independent of the Company, which trust shall be required to pay such benefits in accordance with and subject to the applicable terms of each plan (as modified by this Agreement) and the trust instrument; provided that if such transfer to the Rabbi Trust would be treated, under Code Sections 83 and 409A(b), as a taxable transfer to the Executive, such transfer to the Rabbi Trust shall not be made until such time as the transfer will not be treated as a taxable event under Code Sections 83 and 409A; and provided further, that any amendment or termination of any such plan on or after the Change in Control date the effect of which would be to reduce or eliminate the benefit payable to the Executive shall be disregarded.

(F) The Company shall reimburse the Executive for expenses incurred for outplacement services suitable to the Executive's position, until December 31 of the second calendar year following the calendar year in which occurs the Executive's Separation from Service (or, if earlier, until the first acceptance by the Executive of an offer of employment) in an amount not exceeding 25% of the sum of the Executive's annual base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstances constituting Good Reason, and target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason.

(G) For the six (6) month period immediately following the Date of Termination, the Company shall provide the Executive with the use of any Company provided automobile on the same terms and conditions that were applicable immediately prior to the Date of Termination or, if more favorable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason. The Executive's right to use a Company provided automobile cannot be exchanged for cash or another benefit.

6.2 (A) Whether or not the Executive becomes entitled to the Severance Payments, if any of the payments or benefits received or to be received by the Executive in connection with a Change in Control or the Executive's termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (such payments or benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") will be subject to the Excise Tax, the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments.

(B) For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all of the Total Payments shall be treated as "parachute payments" (within the meaning of section 280G(b)(2) of the Code) unless, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm which was, immediately prior to the Change in Control, the Company's independent auditor (the "Auditor"), such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of section 280G(b)(4)(A) of the Code, (ii) all "excess parachute payments" within the meaning of section 280G(b)(l) of the Code shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of section 280G(b)(4)(B) of the Code) in excess of the Base Amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, and (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Date of Termination (or if there is no Date of Termination, then the date on which the Gross-Up Payment is calculated for purposes of this Section 6.2), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(C) In the event that the Excise Tax is finally determined to be less than the amount taken into account hereunder in calculating the Gross-Up Payment, the Executive shall repay to the Company, within five business days following the time that the amount of such reduction in the Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and employment taxes imposed on the Gross-Up Payment being repaid by the Executive), to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in the Executive's taxable income and wages for purposes of federal, state and local income and employment taxes, plus interest on the amount of such repayment at 120% of the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder in calculating the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Executive with respect to such excess) within five business days following the time that the amount of such excess is finally determined and paid, but in no event prior to the earliest date permitted without the imposition of tax under Code Section 409A. The Executive and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

6.3 The payments provided in subsections (A) and (D) of Section 6.1 hereof and in Section 6.2 hereof shall be made, except as otherwise specifically noted, on the first day of the seventh (7th) month following the month in which occurs the Executive's Separation from Service; provided that if the Executive (or the Company, on behalf of the Executive) is required to remit the excise tax under Code Section 4999 to the Internal Revenue Service prior to such date, the portion of the Gross-Up Payment that must be remitted to the Internal Revenue Service prior to the otherwise applicable payment date will be remitted by the Company or reimbursed to the Executive upon written notice by the Executive to the Company that the excise tax under Code Section 4999 has been paid by the Executive to the Internal Revenue Service, and in either case the remaining payment will be reduced accordingly. At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

6.4 The Company also shall reimburse the Executive for all legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provided hereunder. Such payments shall be made within five business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require; provided that no reimbursement pursuant to this Section 6.4 shall be made later than the end of the calendar year following the calendar year in which such fee or expense was incurred.

7. Termination Procedures and Compensation During Dispute.

7.1. Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i) or (ii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, 30 days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such 30 day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than 30 days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than 15 days nor more than 60 days, respectively, from the date such Notice of Termination is given).

7.3 Dispute Concerning Termination. If within 15 days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i) the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If a purported termination occurs following a Change in Control and during the Term and the Date of Termination is extended in accordance with Section 7.3 hereof, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given, until the Date of Termination, as determined in accordance with Section 7.3 hereof. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.2 hereof) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or Section 7.4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 6.1(B) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. If the successor to all or substantially all of the business and/or assets of the Company arises in connection with a transaction that constitutes a Change in Control Event (as defined for purposes of Code Section 409A), the failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control, except that, for purposes of implementing the foregoing, the date of the Change in Control Event (as defined for purposes of Code Section 409A) shall be deemed the Date of Termination. If the successor to all or substantially all of the business and/or assets of the Company arises in connection with a transaction that does not constitute a Change in Control Event (as defined for purposes of Code Section 409A), the failure of the Company to obtain such assumption and agreement prior to the effectiveness of such succession shall be a breach of this Agreement and, following the Executive's Separation from Service, shall entitle the Executive to Compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address inserted below the Executive's signature on the final page hereof and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Visteon Corporation
One Village Center Drive
Van Buren Township, MI 48111
Attention: General Counsel

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party; provided, however, that this Agreement shall supersede any agreement setting forth the terms and conditions of the Executive's employment with the Company only in the event that the Executive's employment with the Company is terminated on or following a Change in Control, by the Company other than for Cause or by the Executive other than for Good Reason. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. In addition, if prior to the date of payment of the Severance Payments hereunder, the taxes imposed under Sections 3101, 3121(a) and 3121(v)(2), where applicable, become due, the Company may provide for an immediate payment of the amount needed to pay the Executive's portion of such tax (plus an amount equal to the taxes that will be due on such amount) and the Executive's Severance Payments shall be reduced accordingly. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 days after notification by the Board that the Executive's claim has been denied. The Executive acknowledges that to avoid an additional tax on payments that may be payable or benefits that may be provided under this Agreement and that constitute deferred compensation that is not exempt from Section 409A of the Code, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which the Executive believes the Executive is entitled hereunder no later than 90 days after the latest date upon which the payment could have been made or benefit provided under this Agreement, and if not paid or provided, must take further enforcement measures within 180 days after such latest date.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Auditor" shall have the meaning set forth in Section 6.2 hereof.

(C) "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) “Board” shall mean the Board of Directors of the Company.

(F) “Cause” for termination by the Company of the Executive’s employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive’s duties with the Company (other than any such failure resulting from the Executive’s incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 7.1 hereof) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, or (ii) the willful engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Executive’s part shall be deemed “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive’s act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given affect unless the Company establishes to the Board by clear and convincing evidence that Cause exists.

(G) “Change in Control” shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (III) below;

(II) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (a) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company’s then outstanding securities;

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(V) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Agreement.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Company" shall mean Visteon Corporation, a Delaware corporation, and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(J) "Date of Termination" shall have the meaning set forth in Section 7.2 hereof.

(K) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within 30 days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(L) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(M) “Excise Tax” shall mean any excise tax imposed under section 4999 of the Code.

(N) “Executive” shall mean the individual named in the first paragraph of this Agreement.

(O) “Good Reason” for termination by the Executive of the Executive’s employment shall mean the occurrence (without the Executive’s express written consent) after any Change in Control, or prior to a Change in Control under the circumstances described in clauses (ii) and (iii) of the second sentence of Section 6.1 hereof (treating all references in paragraphs (I) through (VI) below to a “Change in Control” as references to a “Potential Change in Control”), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (IV), or (V) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(I) the assignment to the Executive of any duties inconsistent with the Executive’s status as a senior executive officer of the Company or a material adverse alteration in the nature or status of the Executive’s responsibilities from those in effect immediately prior to the Change in Control (including, without limitation, the Executive ceasing to be an executive officer of a public company);

(II) a reduction by the Company in the Executive’s annual base salary as in effect on the date hereof or as the same may be increased from time to time, except for across-the-board salary reductions similarly affecting all senior executives of the Company and all senior executives of any Person in control of the Company;

(III) the relocation of the Executive’s principal place of employment to a location more than 50 miles from the Executive’s principal place of employment immediately prior to the Change in Control or the Company’s requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company’s business to an extent substantially consistent with the Executive’s present business travel obligations;

(IV) the failure by the Company to pay to the Executive any portion of the Executive’s current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;

(V) the failure by the Company to continue to provide the Executive with benefits substantially similar to the material benefits enjoyed by the Executive under any of the Company's executive compensation (including bonus, equity or incentive compensation), pension, savings, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control (except for across the board changes similarly affecting all senior executives of the Company and all senior executives of any Person in control of the Company), the taking of any other action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control; or

(VI) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 7.1 hereof; for purposes of this Agreement, no such purported termination shall be effective.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. For purposes of any determination regarding the existence of Good Reason, any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that Good Reason does not exist.

(P) "Gross-Up Payment" shall have the meaning set forth in Section 6.2 hereof.

(Q) "Notice of Termination" shall have the meaning set forth in Section 7.1 hereof.

(R) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(S) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 15% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(T) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(U) "Separation from Service" means the date on which the Executive separates from service (within the meaning of Code Section 409A) from the Company when the Company and Executive reasonably anticipate that no further services will be performed by the Executive for the Company after that date or that the level of bona fide services the Executive will perform after such date as an employee of the Company will permanently decrease to no more than 20% of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company over the immediately preceding 36-month period (or such lesser period of services). For purposes of this definition, the term Company includes each other corporation, trade or business that, with the Company, constitutes a controlled group of corporations or group of trades or businesses under common control within the meaning of Code Sections 414(b) or (c), applied by substituting "at least 50 percent" for "at least 80 percent" each place it appears, and the term "Company" shall be deemed to refer collectively to the Company and each other controlled group member as so defined. An Executive is not considered to have incurred a Separation from Service if the Executive is absent from active employment due to military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed the greater of (i) six months, or (ii) the period during which the Executive's right to reemployment by the Company is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six months, where such impairment causes the Executive to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to 29 months without causing the Executive to have incurred a Separation from Service. Further, for purposes of determining whether the Executive has incurred a Separation from Service, if the Executive is not actively at work during the period that there exists a dispute pursuant to Section 7.3, the Executive shall be considered to be on a bona fide leave of absence for which his right to reemployment is guaranteed during the period that begins on the date on which the Executive last performs active services and ends on the Date of Termination that ultimately is established pursuant to Section 7.3.

(V) “Severance Payments” shall have the meaning set forth in Section 6.1 hereof.

(W) “Tax Counsel” shall have the meaning set forth in Section 6.2 hereof.

(X) “Term” shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(Y) “Total Payments” shall mean those payments so described in Section 6.2 hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the Restatement Date.

VISTEON CORPORATION

By: ______________________________

Name: ______________________________

Title: ______________________________

EXECUTIVE

____

Address: ______________________________

____

EXHIBIT 12.1

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

	Nine Months Ended September 30, 2008	For the Years Ended December 31, 2007	2006	2005	2004	2003
Earnings						
Income/(loss) before income taxes, minority interest, discontinued operations and change in accounting and extraordinary item	$ (166)	$ (285)	$ (89)	$ (165)	$ (540)	$ (1,055)
Earnings of non-consolidated affiliates	(35)	(47)	(33)	(25)	(45)	(55)
Cash dividends received from non-consolidated affiliates	4	71	24	48	42	35
Fixed charges	175	249	212	185	140	126
Amortization of capitalized interest, net of interest capitalized	5	6	6	4	1	3
Earnings	$ (17)	$ (6)	$ 120	$ 47	$ (402)	$ (946)
Fixed Charges						
Interest and related charges on debt	$ 160	$ 226	$ 190	$ 158	$ 109	$ 97
Portion of rental expense representative of the interest factor	21	27	23	27	31	29
Fixed charges	$ 181	$ 253	$ 213	$ 185	$ 140	$ 126
Ratios						
Ratio of earnings to fixed charges *	N/A	N/A	N/A	N/A	N/A	N/A

* For the nine months ended September 30, 2008 and years ended December 31, 2007, 2006, 2005, 2004 and 2003 fixed charges exceed earnings by $198 million, $259 million, $93 million, $138 million, $542 million and $1,072 million, respectively, resulting in a ratio of less than one.

EXHIBIT 15.1

October 30, 2008

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

Commissioners:

We are aware that our report dated October 30, 2008 on our review of interim financial information of Visteon Corporation (the "Company") for the three and nine month periods ended September 30, 2008 and September 30, 2007 included in the Company's quarterly report on Form 10-Q for the quarter ended September 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: October 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: October 30, 2008

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

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 September 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

October 30, 2008

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 September 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

October 30, 2008