

VISTEON CORP
Form 10-Q
May 02, 2012

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 March 31, 2012, or

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)

One Village Center Drive, Van Buren Township, Michigan

(Address of principal executive offices)

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 No

No

Indicate by check mark whether the registrant: has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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. Large accelerated filer Accelerated filer Non-accelerated filer 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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of April 26, 2012, the registrant had outstanding 52,472,395 shares of common stock.

Exhibit index located on page number 41.

INDEX

<u>Part I - Financial Information</u>	
<u>Item 1 - Financial Statements</u>	<u>1</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>1</u>
<u>Consolidated Balance Sheets</u>	<u>2</u>
<u>Consolidated Statements of Cash Flows</u>	<u>3</u>
<u>Notes to Consolidated Financial Statements</u>	<u>4</u>
<u>Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
<u>Item 3 - Quantitative and Qualitative Disclosures about Market Risk</u>	<u>37</u>
<u>Item 4 - Controls and Procedures</u>	<u>39</u>
<u>Part II - Other Information</u>	
<u>Item 1 - Legal Proceedings</u>	<u>39</u>
<u>Item 1A - Risk Factors</u>	<u>39</u>
<u>Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>39</u>
<u>Item 6 - Exhibits</u>	<u>40</u>
<u>Signature</u>	<u>40</u>
<u>Exhibit Index</u>	<u>42</u>

Table of ContentsPART I
FINANCIAL INFORMATIONITEM 1. FINANCIAL STATEMENTS
VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, Dollars in Millions Except Per Share Amounts)

	Three Months Ended March 31	
	2012	2011
Sales	\$1,717	\$1,850
Cost of sales	1,583	1,707
Gross margin	134	143
Selling, general and administrative expenses	91	96
Restructuring and other expenses	63	2
Operating (loss) income	(20) 45
Interest expense	12	15
Interest income	3	6
Equity in net income of non-consolidated affiliates	42	44
Income from continuing operations before income taxes	13	80
Provision for income taxes	27	28
(Loss) income from continuing operations	(14) 52
Income from discontinued operations, net of tax	3	4
Net (loss) income	(11) 56
Net income attributable to non-controlling interests	18	17
Net (loss) income attributable to Visteon Corporation	\$(29) \$39
Basic (loss) earnings per share:		
Continuing operations	\$(0.62) \$0.69
Discontinued operations	0.06	0.08
Basic (loss) earnings attributable to Visteon Corporation	\$(0.56) \$0.77
Diluted (loss) earnings per share:		
Continuing operations	\$(0.62) \$0.67
Discontinued operations	0.06	0.08
Diluted (loss) earnings attributable to Visteon Corporation	\$(0.56) \$0.75
Comprehensive income:		
Comprehensive income	\$36	\$119
Comprehensive income attributable to Visteon Corporation	\$11	\$92

See accompanying notes to the consolidated financial statements.

Table of ContentsVISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Unaudited, Dollars in Millions)

	March 31 2012	December 31 2011
ASSETS		
Cash and equivalents	\$696	\$723
Restricted cash	25	23
Accounts receivable, net	1,191	1,063
Inventories, net	381	381
Other current assets	394	304
Total current assets	2,687	2,494
Property and equipment, net	1,384	1,412
Equity in net assets of non-consolidated affiliates	679	644
Intangible assets, net	340	353
Other non-current assets	68	66
Total assets	\$5,158	\$4,969
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt, including current portion of long-term debt	\$93	\$87
Accounts payable	1,155	1,010
Accrued employee liabilities	161	189
Other current liabilities	297	267
Total current liabilities	1,706	1,553
Long-term debt	503	512
Employee benefits	417	495
Deferred tax liabilities	196	187
Other non-current liabilities	245	225
Shareholders' equity:		
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011)	—	—
Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at March 31, 2012 and December 31, 2011, respectively)	1	1
Stock warrants	13	13
Additional paid-in capital	1,243	