

VISTEON CORP
Form 10-K/A
August 13, 2002

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

FORM 10-K/A

(Mark One)

X

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

For the fiscal year ended December 31, 2001, or

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**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)

5500 Auto Club Drive, Dearborn, Michigan
(Address or principal executive offices)

38-3519512
(I.R.S. employer
identification no.)
48126
(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	New York Stock Exchange
7.95% Notes due August 1, 2005	Luxembourg Stock Exchange
8.25% Notes due August 1, 2010	Luxembourg Stock Exchange

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

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subject to such filing requirements for the past 90 days.

Yes ii No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of January 31, 2002, the registrant had outstanding 130,422,724 shares of Common Stock. The aggregate market value of such Common Stock held by non-affiliates of the registrant as of such date was \$1,734,622,229, based on the closing price of the Common Stock on that date (\$13.30 a share) as reported by the New York Stock Exchange.

Document Incorporated by Reference*

Document	Where Incorporated
Proxy Statement	Part III (Items 10, 11, 12 and 13)

* As stated under various Items of this Report, only certain specified portions of such document are incorporated by reference in this Report.

INTRODUCTORY NOTE

For purposes of this Form 10-K/A, we have amended and revised Part II Item 6 Selected Financial Data and Part IV Item 14 Exhibits, Financial Statements Schedules, and Reports on Form 8-K of the Annual Report on Form 10-K for the year ended December 31, 2001 that was filed on March 29, 2002. This amendment reflects the reissuance of our consolidated financial statements as described further in Note 3 to those consolidated financial statements.

PART II

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data as of December 31, 2001 and 2000, and for periods subsequent to our spin-off from Ford, reflect our financial condition, results of operations and cash flows. Selected consolidated financial data for the periods prior to our spin-off reflect the historical financial condition, results of operations and cash flows of the businesses that were considered part of the Visteon business of Ford during each respective period. The historical consolidated statement of income data set forth below for periods prior to our spin-off do not reflect many significant changes that occurred in the operations and funding of our company as a result of our spin-off from Ford.

The selected consolidated financial data should be read in conjunction with, and are qualified by reference to, Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and accompanying notes included elsewhere in this report. The consolidated statement of income, cash flow and balance sheet data, set forth below, have been derived from our audited financial statements.

The following financial information may not reflect what our results of operations, financial condition and cash flows would have been had we operated as a separate, stand-alone entity during the periods presented or what our results of operations, financial condition and cash flows will be in the future.

ITEM 6. SELECTED FINANCIAL DATA (Continued)

	Year Ended December 31,				
	2001	2000	1999	1998	1997
(in millions, except per share amounts and percentages)					
Statement of Income Data:					
Sales:					
Ford and affiliates	\$ 14,656	\$ 16,448	\$ 17,105	\$ 16,350	\$ 16,003
Other customers	3,187	3,019	2,261	1,412	1,217
Total sales	17,843	19,467	19,366	17,762	17,220
Costs and expenses:					
Costs of sales	17,148	18,025	17,503	15,969	15,794
Selling, administrative and other expenses	812	781	674	659	575
Asset impairment charge		220			
Total costs and expenses	17,960	19,026	18,177	16,628	16,369
Operating income (loss)	(117)	441	1,189	1,134	851
Interest income	55	109	79	38	17
Interest expense	131	167	143	82	82
Net interest expense	(76)	(58)	(64)	(44)	(65)
Equity in net income of affiliated companies	24	56	47	26	29
Income (loss) before income taxes	(169)	439	1,172	1,116	815
Provision (benefit) for income taxes	(72)	143	422	416	305
Income (loss) before minority interests	(97)	296	750	700	510
Minority interests in net income (loss) of subsidiaries	21	26	15	(3)	(1)
Net income (loss)	\$ (118)	\$ 270	\$ 735	\$ 703	\$ 511
Basic and diluted earnings (loss) per share (based on 130,000,000 shares outstanding for periods prior to our spin-off)					
	\$ (0.91)	\$ 2.08	\$ 5.65	\$ 5.41	\$ 3.93
Cash dividends declared per share	\$ 0.24	\$ 0.12			
Statement of Cash Flows Data:					
Cash provided by (used in) operating activities	\$ 436	\$ (526)	\$ 2,482	\$ 1,376	\$ 1,411
Cash (used in) investing activities	(743)	(842)	(1,453)	(940)	(943)
Cash (used in) provided by financing activities	(75)	924	290	(234)	(251)
Other Financial Data:					
Depreciation and amortization	\$ 666	\$ 676	\$ 651	\$ 565	\$ 590
EBITDA, as defined	741	1,337	1,840	1,699	1,441
Capital spending	752	793	876	861	917
After tax return on:					
Sales	(0.5)%	1.5%	3.9%	3.9%	3.0%
Average assets	(0.9)%	2.5%	6.8%	7.8%	6.3%

At December 31,

2001	2000	1999	1998	1997
(in millions)				

Balance Sheet Data:

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Total assets (Note 3 Consolidated Financial Statements)	\$ 11,162	\$ 11,405	\$ 12,542	\$ 9,373	\$ 8,471
Total debt	1,922	2,019	2,319	1,125	1,136
Total equity	3,291	3,505	1,499	1,655	1,204

EBITDA is defined as income before interest expense and interest income, provision for income taxes, depreciation and amortization, asset impairment charges, equity in net income of affiliated companies and minority interests. In addition, EBITDA for 2001 excludes costs related to restructuring actions of \$192 million. EBITDA is not presented as an alternative measure of operating results or cash flow from operations, as determined in accordance with generally accepted accounting principles, but is presented because we believe it is a widely accepted indicator of our ability to incur and service debt. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect funds available for dividends, reinvestment or other discretionary uses. In addition, EBITDA as presented may not be comparable to similarly titled measures reported by other companies.

Total assets at December 31, 2001, 2000 and 1999 have been adjusted for a revision made to Visteon's inventory recognition practice as discussed in Note 3 to the consolidated financial statements. Total assets at December 31, 1998 and 1997 have not been adjusted as the relevant inventory information from those years is limited and indicates that the amount of such adjustment would not be significant.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

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2. Financial Statement Schedules	
None	
3. Exhibits	
Refer to the Exhibit Index on page 33 of this report.	
(b) Reports on Form 8-K	

Visteon filed the following Current Reports on Form 8-K during the quarter ended December 31, 2001:

Current Report on Form 8-K dated October 19, 2001, included information relating to Visteon's third quarter 2001 financial results.

SIGNATURE

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, Visteon has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VISTEON CORPORATION

By: */s/ PHILIP G. PFEFFERLE*

Philip G. Pfefferle
Vice President, Controller and
Chief Accounting Officer
(Principal Accounting Officer)

Date: August 12, 2002

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders

Visteon Corporation

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) on page 3 present fairly, in all material respects, the financial position of Visteon Corporation and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 3, the company has revised its consolidated balance sheet at December 31, 2001 and 2000.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan

January 16, 2002, except for Note 17,
as to which the date is March 11, 2002,
and Note 3, as to which the date is
August 12, 2002.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

	For the Years Ended December 31,		
	2001	2000	1999
	(in millions, except per share amounts)		
Sales (Notes 2 and 11)			
Ford and affiliates	\$ 14,656	\$ 16,448	\$ 17,105
Other customers	3,187	3,019	2,261
	<u>17,843</u>	<u>19,467</u>	<u>19,366</u>
Costs and expenses (Notes 2, 11 and 13)			
Costs of sales	17,148	18,025	17,503
Selling, administrative and other expenses	812	781	674
Asset impairment charge (Note 13)		220	
	<u>17,960</u>	<u>19,026</u>	<u>18,177</u>
Operating income (loss)	(117)	441	1,189
Interest income	55	109	79
Interest expense	131	167	143
	<u>(76)</u>	<u>(58)</u>	<u>(64)</u>
Equity in net income of affiliated companies (Notes 2 and 13)	24	56	47
	<u>(169)</u>	<u>439</u>	<u>1,172</u>
Income (loss) before income taxes	(169)	439	1,172
Provision (benefit) for income taxes (Note 5)	(72)	143	422
	<u>(97)</u>	<u>296</u>	<u>750</u>
Income (loss) before minority interests	(97)	296	750
Minority interests in net income of subsidiaries	21	26	15
	<u>(118)</u>	<u>270</u>	<u>735</u>
Net income (loss)	\$ (118)	\$ 270	\$ 735
Average number of shares of Common Stock outstanding (Note 2)	131	130	130
Earnings (loss) and dividends per share (Note 2)			
Basic and diluted	\$ (0.91)	\$ 2.08	\$ 5.65
Cash dividends	\$ 0.24	\$ 0.12	\$

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31,	
	2001	2000
	(restated) (in millions)	
Assets		
Cash and cash equivalents	\$ 1,024	\$ 1,412
Marketable securities	157	65
	<hr/>	<hr/>
Total cash and marketable securities	1,181	1,477
Accounts receivable Ford and affiliates	1,560	1,333
Accounts receivable other customers	834	857
	<hr/>	<hr/>
Total receivables	2,394	2,190
Inventories (Note 3)	942	1,028
Deferred income taxes	167	192
Prepaid expenses and other current assets	153	198
	<hr/>	<hr/>
Total current assets	4,837	5,085
Equity in net assets of affiliated companies	158	142
Net property (Note 4)	5,329	5,497
Deferred income taxes	322	100
Other assets	516	581
	<hr/>	<hr/>
Total assets	\$ 11,162	\$ 11,405
	<hr/>	<hr/>
Liabilities and Stockholders Equity		
Trade payables (Note 3)	\$ 1,915	\$ 2,029
Accrued liabilities (Note 6)	945	1,086
Income taxes payable	30	65
Debt payable within one year (Note 8)	629	622
	<hr/>	<hr/>
Total current liabilities	3,519	3,802
Long-term debt (Note 8)	1,293	1,397
Postretirement benefits other than pensions (Note 7)	2,079	1,829
Other liabilities (Note 6)	967	854
Deferred income taxes	13	18
	<hr/>	<hr/>
Total liabilities		