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VISTEON CORP
Form 11-K
June 28, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

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

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act
of 1934

(No fee required, effective October 7, 1996)

For the fiscal year ended December 30, 2001

or

Transition report pursuant to Section 15(d) of the Securities Exchange
Act of 1934

(No fee required)

For the transition period from _____ to _____

Commission file number 1-15827

A. Full title of the plan and the address of the plan, if different from
that of the issuer named below:

Visteon Investment Savings Plan
for Hourly Employees

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

Visteon Corporation
5500 Auto Club Drive
Dearborn, Michigan 48126

REQUIRED INFORMATION

FINANCIAL STATEMENTS AND SCHEDULES.

Report of Independent Accountants.

Statement of Net Assets Available for Benefits as of December 30, 2001.

Statement of Changes in Net Assets Available for Benefits for the year
ended December 30, 2001.

Schedule of Assets (Held at End of Year) as of December 30, 2001.

Schedule of Reportable Transactions for the Year Ended December 30, 2001.

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EXHIBIT Consent of Independent Auditors.

11K-1

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

VISTEON INVESTMENT SAVINGS PLAN
FOR HOURLY EMPLOYEES

Date: June 26, 2002

By /s/ Robert H. Marcin

Robert H. Marcin
Chairman, Visteon Investment Plan
Administrative Committee

11K-2

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
CONTENTS

	PAGE(S)
REPORT OF INDEPENDENT ACCOUNTANTS.....	1
FINANCIAL STATEMENTS	
Statement of Net Assets Available for Benefits as of December 30, 2001.....	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 30, 2001.....	3
Notes to Financial Statements.....	4-8
ADDITIONAL INFORMATION	
Schedule I -- Schedule of Assets (Held at End of Year) as of December 30, 2001.....	9

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Schedule II -- Schedule of Reportable Transactions for the Year Ended
December 30, 2001.....10

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of the
Visteon Investment Savings Plan for Hourly Employees

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Visteon Investment Savings Plan for Hourly Employees (the "Plan") at December 30, 2001, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan
June 26, 2002

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 30, 2001

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ASSETS	
Investments, at fair value	\$ 142,216

Total assets	142,216

Net assets available for benefits	\$ 142,216
	=====

The accompanying notes are an integral part of the financial statements.

2

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 30, 2001

ADDITIONS	
Addition to net assets attributed to	
Net appreciation (depreciation) in fair value	
of investments	\$ 167
Interest and dividend income	1,818

	1,985
Employee contributions	139,527

Total additions	141,512
Net assets available for benefits	
Beginning of year	704

End of year	\$142,216

The accompanying notes are an integral part of the financial statements.

3

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Visteon Investment Savings Plan for Hourly Employees (the "Plan") provides only general information. The Plan was established effective July 1, 2000. The provisions of the Plan are governed in all respects by the detailed terms and conditions contained in the Plan document. Participants should refer to the Plan document for a complete description of the Plan's provisions.

TYPE AND PURPOSE OF THE PLAN

The Plan is a defined contribution plan established to encourage and facilitate systematic savings and investment by eligible hourly employees of Visteon Corporation ("Visteon") and to provide them with an opportunity to become stockholders of Visteon. The Plan includes provisions for voting shares of Visteon stock. It is subject to certain provisions of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") applicable to defined contribution pension plans.

ELIGIBILITY AND VESTING

Hourly employees are eligible to participate in the Plan three months after their date of hire. Certain other part-time and temporary employees may also be eligible to participate in the Plan. Participation in the Plan is voluntary. Participants are immediately 100% vested in their contributions and actual earnings thereon, regardless of length of service.

CONTRIBUTIONS

Under the Plan, and subject to limits required to be imposed by the Internal Revenue Code of 1986, as amended (the "Code"), participants may

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elect to contribute up to 25% of their eligible wages. Participants may also elect to reduce their annual profit sharing bonus, if any, to be contributed to the Plan. Such contributions are excluded from participants' taxable income.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and allocations of (a) company matching contributions, (b) certain fund expenses. Allocations are based on participant earnings or account balances. Under the Plan, certain funds will charge a fee on short term transfers which is paid from the participant's account. The benefit to which a participant is entitled is determined from the participant's account.

PLAN ADMINISTRATIVE EXPENSES

Plan administrative expenses are paid by Visteon and not charged to participants' accounts.

4

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (CONTINUED)

DISTRIBUTIONS

Distributions of benefits shall be made upon the occurrence of any one of the following:

- Retirement of the participant at age 65;
- Deferred retirement of the participant beyond age 65;
- In-service withdrawal of the participant at age 59 1/2;
- Total and permanent disability of the participant;
- Death of the participant; or
- Termination of employment

Benefits due upon death are paid in a lump sum and are based on vested amounts in the participants' accounts. Benefits due upon termination, retirement, withdrawal, or disability are paid in a lump sum or through installments over a period of fifteen years and are based on vested amounts in the participants' accounts. In addition, terminated participants with benefits due in excess of \$3,500 may defer such benefits until age 65 or in the event that employment termination occurred until age 70 1/2.

INVESTMENT OPTIONS AND PARTICIPATION

Participant contributions are invested in accordance with the participant's election in one or more of several investment options

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available in the Plan.

The Visteon Stock Fund is a unitized stock fund investment in Visteon common stock with a portion of the fund's assets invested in short-term investments.

The Managed Income Portfolio II is a stable value fund that is a commingled pool of the Fidelity Group Trust for Employee Benefit Plans composed of high quality, fixed-income investments. The Portfolio may also purchase investment contracts issued by the insurance companies or banks. Exposure to any single issuer is capped at 5%. The Portfolio purchases money market units to provide daily liquidity.

The Fidelity Fund is a mutual fund that seeks long-term capital growth by investing in common stocks. The fund potentially invests a portion in bonds, including lower-quality debt securities. The fund may invest in securities of domestic and foreign issuers.

The Fidelity Magellan Fund is a growth mutual fund that seeks capital appreciation. The fund invests in securities of domestic, foreign, and multinational issuers, however not more than 40% of the fund's assets may be invested in companies operating exclusively in any one foreign country.

The Fidelity Growth & Income Fund is a mutual fund that seeks to provide high total return through a combination of current income and capital appreciation. The fund normally invests in common stocks. The fund potentially invests in bonds, including lower-quality debt securities, and stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may invest in securities of domestic and foreign issuers.

Details of investments held as of December 30, 2001 are set forth in Schedule of Assets (Held at End of Year).

5

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (CONTINUED)

TRANSFERS OF ASSETS

The Plan permits the transfer of assets among investment options, with certain restrictions related to transfers to T. Rowe Price Funds and Scudder Funds.

PARTICIPANT LOANS

Participants may borrow from the Plan in amounts beginning with a minimum amount of \$1,000, up to a maximum amount not to exceed the lesser of: (a) \$50,000, or (b) 50% of their vested account balances, at an interest rate equal to the annual prime rate as published by the Wall Street Journal. Repayment of any loan is made through employee payroll deductions not less frequently than once per calendar quarter.

ADMINISTRATION

The Plan administrator is responsible for general administration of the Plan for the exclusive benefit of the Plan participants and their

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beneficiaries, subject to the specific terms of the Plan. Assets of the Plan and related investments are administered by Fidelity Investments (the "Trustee"). It is the Trustee's responsibility to invest Plan assets and to distribute benefits to participants. The Trustee is also responsible for daily administration of Plan activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared under the accrual method of accounting.

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan investments are stated as determined by the Trustee. Purchases and sales are recorded on the trade-date basis.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

CONTRIBUTIONS

Contributions to the Plan from employees are recorded in the period that payroll deductions are made from participants.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

6

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RISKS AND UNCERTAINTIES

The Plan's invested assets ultimately consist of stocks, bonds, fixed income securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for benefits.

3. MASTER TRUST (IN THOUSANDS)

All assets of the Plan are held by the Visteon Corporation Master Trust (the "Master Trust"). The Visteon Investment Plan also has all of its investments in the Master Trust. A summary of the assets of the Master Trust as of December 30, 2001 is as follows:

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Investments, at fair value	
Common stock fund	\$ 57,384
Common and commingled trust funds	63,371
Mutual funds	117,155

Total investments	237,910
Loans	4,158

Total assets	\$ 242,068
	=====

Interest and dividend income of the Master Trust for the year ended December 30, 2001 was \$4,346.

The net appreciation (depreciation) in fair value of Master Trust investments consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. During the year ended December 30, 2001 investments depreciated as follows:

Mutual funds	\$ (11,820)
Common stock fund	4,426
Common and commingled trust funds	(1,033)

	\$ (8,427)
	=====

The Plan investments and, in turn, the investments held by the Master Trust are generally directed by participants based on their elections. Allocation of the Master Trust to the participating plans as of December 30, 2001 is as follows:

EIN 38-3519512, Plan 005 -	
Visteon Investment Savings Plan for Hourly Employees	\$ 142
EIN 38-3519512, Plan 002 -	
Visteon Investment Plan	241,926

	\$ 242,068
	=====

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The following investments represent 5% or more of the Plan's net assets available for benefits at December 30, 2001:

Visteon Stock Fund, 2,734 units	\$ 24,304
Fidelity Fund, 284 units	8,209
Fidelity Magellan Fund, 161 units	16,732
Fidelity Growth and Income Portfolio, 216 units	8,085
Fidelity Managed Income Portfolio II, 40,907 units	40,907

	\$ 98,237
	=====

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of the Plan's realized gains or losses and the unrealized appreciation (depreciation) on those investments. During 2001, the Plan's investments appreciated in value by \$167 as follows:

Mutual funds	\$ (2,014)
Common stock fund	2,135
Common and commingled trust funds	46

	\$ 167
	=====

5. RELATED PARTY TRANSACTIONS

Participants have the option to invest in the Visteon Stock Fund, which consists of investments in Visteon common stock. These transactions are exempt transactions with a party-in-interest.

6. TAX STATUS

A request was made on February 7, 2002 for favorable determination from the Internal Revenue Service ("IRS") for compliance with applicable sections of the Code. As of June 17, 2002, the IRS had not yet issued a favorable determination letter for the Plan.

The Plan has been designed to be in compliance with applicable requirements of the Code. The Plan administrator and Plan tax counsel believe that the Plan satisfies and is being operated in compliance with applicable provisions of the Code.

7. PLAN TERMINATION

Visteon, by action of the Board of Directors, may terminate the Plan at any time. Termination of the Plan would not affect the rights of a participant as to the continuance of investment, distribution or withdrawal of the securities, cash and cash value of the Visteon Stock Fund units in the account of the participant as of the effective date of such termination. There are currently no plans to terminate the Plan.

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8

SCHEDULE I

VISTEON INVESTMENT
SAVINGS PLAN FOR HOURLY EMPLOYEES
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 30, 2001

(A)	(B)	(C) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE	(D)
	IDENTITY OF ISSUER, LESSOR, BORROWER OR SIMILAR PARTY		COST*
*	Fidelity Investments	T. Rowe Price International Discovery Fund, 28 units	
*	Fidelity Investments	Scudder Income Fund, 52 units	
*	Fidelity Investments	Scudder Growth and Income Fund, 97 units	
*	Fidelity Investments	Vanguard 500 Index Fund, 43 units	
*	Fidelity Investments	Vanguard Value Index Fund, 4 units	
*	Fidelity Investments	Vanguard Explorer Fund, 14 units	
	Comerica Bank, N.A.	Common Stock Fund, 445 units	
	Barclays Global Investors	Bond Fund, 218 units	
*	Visteon Corporation	Visteon Stock Fund 2,734 units	
*	Fidelity Investments	Fidelity Fund, 284 units	
*	Fidelity Investments	Fidelity Puritan Fund, 109 units	
*	Fidelity Investments	Fidelity Trend Fund, 29 units	
*	Fidelity Investments	Fidelity Magellan Fund, 161 units	
*	Fidelity Investments	Fidelity Contrafund, 26 units	
*	Fidelity Investments	Fidelity Equity-Income Fund, 74 units	
*	Fidelity Investments	Fidelity Growth Company Fund, 99 units	
*	Fidelity Investments	Fidelity Investment Grade Bond Fund, 2 units	
*	Fidelity Investments	Fidelity Growth and Income Portfolio, 216 units	
*	Fidelity Investments	Fidelity Value Fund, 36 units	
*	Fidelity Investments	Fidelity Government Income Fund, 342 units	
*	Fidelity Investments	Fidelity Independence Fund, 58 units	
*	Fidelity Investments	Fidelity Real Estate Investment Portfolio Fund, 92 units	
*	Fidelity Investments	Fidelity Balanced Fund, 16 units	
*	Fidelity Investments	Fidelity International Growth and Income Fund, 82 units	
*	Fidelity Investments	Fidelity Canada Fund, 31 units	
*	Fidelity Investments	Fidelity Utilities Fund, 16 units	
*	Fidelity Investments	Fidelity Asset Manager, 59 units	
*	Fidelity Investments	Fidelity Asset Manager Growth, 117 units	
*	Fidelity Investments	Fidelity Dividend Growth Fund, 87 units	
*	Fidelity Investments	Fidelity New Markets Income Fund, 11 units	
*	Fidelity Investments	Fidelity Global Balanced Fund, 23 units	
*	Fidelity Investments	Fidelity Managed Income Portfolio II, 40,907 units	

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* Denotes party-in-interest.
 ** Not required per Department of Labor reporting requirements.

9

SCHEDULE II

VISTEON INVESTMENT
 SAVINGS PLAN FOR HOURLY EMPLOYEES
 SCHEDULE OF REPORTABLE TRANSACTIONS
 For the Year Ended December 30, 2001

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF ASSET	PURCHASE PRICE
REPORTING CRITERION I	Single transactions in excess of five percent of current value of plan assets.	
	None.	
REPORTING CRITERION II	Series of transactions in other than securities in excess of five percent of current value of plan assets	
	None.	
REPORTING CRITERION III	Series of transactions in securities in excess of five percent of current value of plan assets	
	None.	
REPORTING CRITERION IV	Single transactions with a nonregulated entity in excess of five percent of current value of plan assets.	
	None.	

IDENTITY OF PARTY INVOLVED	EXPENSES INCURRED	COST OF ASSET	CURRENT VALUE OF ASSET	NET GAIN OR (LOSS)
REPORTING CRITERION I				
REPORTING CRITERION II				

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REPORTING CRITERION III

REPORTING CRITERION IV

10

EXHIBIT INDEX

Exhibit Number

23

Exhibit Name

Consent of PricewaterhouseCoopers LLP