

**VISTEON CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

*(Unaudited, Dollars in Millions, Except Per Share Data)*

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Sales	\$ 797	\$ 816	\$ 3,146	\$ 3,161
Cost of sales	657	687	2,647	2,697
Gross margin	140	129	499	464
Selling, general and administrative expenses	64	57	222	220
Restructuring expense, net	4	27	14	49
Interest expense, net	4	2	16	12
Equity in net income (loss) of non-consolidated affiliates	1	(1)	7	2
Loss on divestiture	33	—	33	—
(Loss) gain on non-consolidated affiliate transactions	—	(1)	4	—
Other expense, net	1	7	2	24
Income from continuing operations before income taxes	35	34	223	161
Provision for income taxes	14	3	48	30
Net income from continuing operations	21	31	175	131
Net income (loss) from discontinued operations, net of tax	9	(25)	17	(40)
Net income	30	6	192	91
Net income attributable to non-controlling interests	5	4	16	16
Net income attributable to Visteon Corporation	\$ 25	\$ 2	\$ 176	\$ 75
 <u>Earnings (loss) per share data:</u>				
Basic earnings (loss) per share				
Continuing operations	\$ 0.52	\$ 0.82	\$ 5.03	\$ 3.28
Discontinued operations	0.29	(0.76)	0.54	(1.14)
Basic earnings per share attributable to Visteon Corporation	\$ 0.81	\$ 0.06	\$ 5.57	\$ 2.14
Diluted earnings (loss) per share				
Continuing operations	\$ 0.51	\$ 0.81	\$ 4.94	\$ 3.25
Discontinued operations	0.28	(0.75)	0.53	(1.13)
Diluted earnings per share attributable to Visteon Corporation	\$ 0.79	\$ 0.06	\$ 5.47	\$ 2.12
Average shares outstanding (in millions)				
Basic	31.0	33.1	31.6	35.0
Diluted	31.7	33.5	32.2	35.4
 <u>Comprehensive income (loss):</u>				
Comprehensive income (loss)	\$ 51	\$ (65)	\$ 256	\$ 41
Comprehensive income (loss) attributable to Visteon Corporation	\$ 45	\$ (64)	\$ 235	\$ 32

**VISTEON CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

*(Unaudited, Dollars in Millions)*

	<b>December 31</b>	<b>December 31</b>
	<b>2017</b>	<b>2016</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
Cash and equivalents	\$ 706	\$ 878
Restricted cash	3	4
Accounts receivable, net	530	505
Inventories, net	189	151
Other current assets	175	170
Total current assets	<hr/> 1,603	<hr/> 1,708
Property and equipment, net	377	345
Intangible assets, net	132	129
Investments in non-consolidated affiliates	41	45
Other non-current assets	151	146
Total assets	<hr/> <hr/> \$ 2,304	<hr/> <hr/> \$ 2,373
<b>LIABILITIES AND EQUITY</b>		
Short-term debt, including current portion of long-term debt	\$ 46	\$ 36
Accounts payable	470	463
Accrued employee liabilities	105	103
Other current liabilities	180	309
Total current liabilities	<hr/> 801	<hr/> 911
Long-term debt	347	346
Employee benefits	277	303
Deferred tax liabilities	23	20
Other non-current liabilities	95	69
Stockholders' equity		
Preferred stock	—	—
Common stock	1	1
Additional paid-in capital	1,339	1,327
Retained earnings	1,445	1,269
Accumulated other comprehensive loss	(174)	(233)
Treasury stock	(1,974)	(1,778)
Total Visteon Corporation stockholders' equity	<hr/> 637	<hr/> 586
Non-controlling interests	124	138
Total equity	<hr/> 761	<hr/> 724
Total liabilities and equity	<hr/> <hr/> \$ 2,304	<hr/> <hr/> \$ 2,373

**VISTEON CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>1</sup>**

*(Unaudited, Dollars in Millions)*

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2017	2016	2017	2016
<b>OPERATING</b>				
Net income	\$ 30	\$ 6	\$ 192	\$ 91
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	25	22	87	84
Losses on divestitures and impairments	33	18	33	22
Non-cash stock-based compensation	3	2	12	8
Gain on non-consolidated affiliate transactions	—	1	(4)	—
Equity in net (income) loss of non-consolidated affiliates, net of dividends remitted	(1)	1	(7)	(1)
Gain on India operations repurchase	—	—	(7)	—
Loss on Climate Transaction	—	—	—	2
Other non-cash items	13	9	15	24
Changes in assets and liabilities:				
Accounts receivable	(19)	(34)	10	(19)
Inventories	12	15	(3)	30
Accounts payable	(15)	35	(54)	(10)
Other assets and other liabilities	5	7	(57)	(111)
Net cash provided from operating activities	<u>86</u>	<u>82</u>	<u>217</u>	<u>120</u>
<b>INVESTING</b>				
Capital expenditures, including intangibles	(30)	(19)	(99)	(75)
Proceeds from asset sales and business divestitures	—	2	15	17
Settlement of net investment hedge	—	—	5	—
Acquisition of businesses, net of cash acquired	—	—	(2)	(15)
India operations repurchase	—	—	(47)	—
Payments on divestiture of businesses	(48)	(10)	(48)	(10)
Short-term investments, net	—	—	—	47
Loans to non-consolidated affiliate, net of repayments	—	—	—	(8)
Net proceeds from Climate transaction, including withholding tax refund	—	—	—	356
Other, net	—	(10)	1	(10)
Net cash (used by) provided from investing activities	<u>(78)</u>	<u>(37)</u>	<u>(175)</u>	<u>302</u>
<b>FINANCING</b>				
Short-term debt, net	2	11	10	—
Exercised warrants and stock options	1	—	2	—
Distribution payments	—	—	(1)	(1,736)
Stock based compensation tax withholding payments	—	—	(1)	(11)
Principal payments on debt	—	—	(2)	(2)
Dividends paid to non-controlling interests	(9)	(13)	(38)	(13)
Repurchase of common stock	(30)	—	(200)	(500)
Other	—	—	(3)	—
Net cash used by financing activities	<u>(36)</u>	<u>(2)</u>	<u>(233)</u>	<u>(2,262)</u>
Effect of exchange rate changes on cash and equivalents	2	(17)	19	(11)
Net (decrease) increase in cash and equivalents	<u>(26)</u>	<u>26</u>	<u>(172)</u>	<u>(1,851)</u>
Cash and equivalents at beginning of period	732	852	878	2,729
Cash and equivalents at end of period	<u>\$ 706</u>	<u>\$ 878</u>	<u>\$ 706</u>	<u>\$ 878</u>

<sup>1</sup>  
*The Company has combined cash flows from discontinued operations with cash flows from continuing operations within the operating, investing and financing categories.*

**VISTEON CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

*(Unaudited, Dollars in Millions)*

**Adjusted EBITDA:** Adjusted EBITDA is presented as a supplemental measure of the Company's performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, loss on divestiture, equity in net (income) loss of non-consolidated affiliates, (gain) loss on non-consolidated affiliate transactions, other net expense, provision for income taxes, discontinued operations, net income attributable to non-controlling interests, non-cash stock-based compensation expense, and other gains and losses not reflective of the Company's ongoing operations. Because not all companies use identical calculations, this presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>		<b>Estimated</b>
	<b>December 31</b>		<b>December 31</b>		<b>Full Year</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2018</b>
<b>Total Visteon</b>					
Electronics	\$ 102	\$ 98	\$ 370	\$ 346	
Other	—	(2)	—	(9)	
Adjusted EBITDA	<u>102</u>	<u>96</u>	<u>370</u>	<u>337</u>	<u>\$370-\$380</u>
Depreciation and amortization	25	22	87	84	90
Restructuring expense, net	4	27	14	49	10
Interest expense, net	4	2	16	12	15
Equity in net (income) loss of non-consolidated affiliates	(1)	1	(7)	(2)	(7)
Loss on divestiture	33	—	33	—	—
Loss (gain) on non-consolidated affiliate transactions	—	1	(4)	—	—
Other expense, net	1	7	2	24	—
Provision for income taxes	14	3	48	30	55
Net (income) loss from discontinued operations, net of tax	(9)	25	(17)	40	—
Net income attributable to non-controlling interests	5	4	16	16	15
Non-cash, stock-based compensation expense	3	2	12	8	20
Other	(2)	—	(6)	1	—
Net income attributable to Visteon	<u>\$ 25</u>	<u>\$ 2</u>	<u>\$ 176</u>	<u>\$ 75</u>	<u>\$172-\$182</u>

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Electronics</b>				
Adjusted EBITDA	\$ 102	\$ 98	\$ 370	\$ 346
Depreciation and amortization	25	22	87	84
Restructuring expense, net	4	26	14	37
Interest expense, net	4	2	16	12
Equity in net (income) loss of non-consolidated affiliates	(1)	1	(7)	(2)
Loss (gain) on non-consolidated affiliate transactions	—	1	(4)	—
Loss on divestiture	33	—	33	—
Other expense, net	1	6	2	10
Provision for income taxes	14	14	48	41
Net income attributable to non-controlling interests	5	4	16	16
Non-cash, stock-based compensation expense	3	2	12	9
Other	(2)	—	(6)	—
Net income	<u>\$ 16</u>	<u>\$ 20</u>	<u>\$ 159</u>	<u>\$ 139</u>
(Income) loss from discontinued operations, net of tax	(9)	25	(17)	40
All other loss (income), net of tax	—	(7)	—	24
Net income attributable to Visteon	<u>\$ 25</u>	<u>\$ 2</u>	<u>\$ 176</u>	<u>\$ 75</u>

Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies, and (iii) because the Company's credit agreements use similar measures for compliance with certain covenants.

**Free Cash Flow and Adjusted Free Cash Flow:** Free cash flow and Adjusted free cash flow are presented as supplemental measures of the Company's liquidity that management believes are useful to investors in analyzing the Company's ability to service and repay its debt. The Company defines Free cash flow as cash flow provided from operating activities less capital expenditures. The Company defines Adjusted free cash flow as cash flow provided from operating activities less capital expenditures, as further adjusted for restructuring and transformation-related payments. Free cash flow and Adjusted free cash flow include amounts associated with discontinued operations. Because not all companies use identical calculations, this presentation of Free cash flow and Adjusted free cash flow may not be comparable to other similarly titled measures of other companies.

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2017	2016	2017	2016
<b>Total Visteon</b>				
Cash provided from operating activities - Electronics	\$ 82	\$ 86	\$ 213	\$ 198
Cash provided from (used by) operating activities - discontinued operations and other	4	(4)	4	(78)
Cash provided from operating activities total Visteon	\$ 86	\$ 82	\$ 217	\$ 120
Capital expenditures	(30)	(19)	(99)	(75)
Free cash flow	\$ 56	\$ 63	\$ 118	\$ 45
Restructuring/transformation-related payments	2	19	30	113
Adjusted free cash flow	\$ 58	\$ 82	\$ 148	\$ 158

	Three Months Ended		Twelve Months Ended		Estimated Full Year 2018
	December 31		December 31		
	2017	2016	2017	2016	
<b>Electronics</b>					
Cash provided from operating activities	\$ 82	\$ 86	\$ 213	\$ 198	\$235 - \$255
Capital expenditures	(30)	(20)	(99)	(74)	100 - 95
Free cash flow	\$ 52	\$ 66	\$ 114	\$ 124	\$135 - \$160
Restructuring/transformation-related payments	6	13	34	43	25 - 20
Adjusted free cash flow	\$ 58	\$ 79	\$ 148	\$ 167	\$160 - \$180

Free cash flow and Adjusted free cash flow are not recognized terms under U.S. GAAP and do not purport to be a substitute for cash flows from operating activities as a measure of liquidity. Free cash flow and Adjusted free cash flow have limitations as analytical tools as they do not reflect cash used to service debt and do not reflect funds available for investment or other discretionary uses. In addition, the Company uses Free cash flow and Adjusted free cash flow (i) as factors in incentive compensation decisions and (ii) for planning and forecasting future periods.

**Adjusted Net Income and Adjusted Earnings Per Share:** Adjusted net income and Adjusted earnings per share are presented as supplemental measures that management believes are useful to investors in analyzing the Company's profitability, providing comparability between periods by excluding certain items that may not be indicative of recurring business operating results. The Company believes management and investors benefit from referring to these supplemental measures in assessing company performance and when planning, forecasting and analyzing future periods. The Company defines Adjusted net income as net income attributable to Visteon adjusted to eliminate the impact of restructuring expense, loss on divestiture, gain on non-consolidated affiliate transactions, other net expenses, discontinued operations, other gains and losses not reflective of the Company's ongoing operations and related tax effects. The Company defines Adjusted earnings per share as Adjusted net income divided by diluted shares. Because not all companies use identical calculations, this presentation of Adjusted net income and Adjusted earnings per share may not be comparable to other similarly titled measures of other companies.

	Three Months Ended December 31		Twelve Months Ended December 31	
	2017	2016	2017	2016
	<b>Net income attributable to Visteon:</b>			
Electronics	\$ 16	\$ 20	\$ 159	\$ 139
Other/discontinued operations	9	(18)	17	(64)
Net income attributable to Visteon	<u>\$ 25</u>	<u>\$ 2</u>	<u>\$ 176</u>	<u>\$ 75</u>

	Three Months Ended December 31, 2017			Twelve Months Ended December 31, 2017		
	Electronics	Other/ Discontinued Operations	Total Visteon	Electronics	Other/ Discontinued Operations	Total Visteon
	<b>Diluted earnings per share:</b>					
Net income attributable to Visteon	\$ 16	\$ 9	\$ 25	\$ 159	\$ 17	\$ 176
Average shares outstanding, diluted (in millions)	31.7	31.7	31.7	32.2	32.2	32.2
Diluted earnings per share	<u>\$ 0.51</u>	<u>\$ 0.28</u>	<u>\$ 0.79</u>	<u>\$ 4.94</u>	<u>\$ 0.53</u>	<u>\$ 5.47</u>
<b>Adjusted earnings per share:</b>						
Net income attributable to Visteon	\$ 16	\$ 9	\$ 25	\$ 159	\$ 17	\$ 176
Restructuring expense, net	4	—	4	14	—	14
Loss on divestiture	33	—	33	33	—	33
Other expense, net	1	—	1	2	—	2
Gain on non-consolidated affiliate transactions	—	—	—	(4)	—	(4)
Other	(2)	—	(2)	(6)	—	(6)
Income from discontinued operations, net of tax	—	(9)	(9)	—	(17)	(17)
Adjusted net income*	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 52</u>	<u>\$ 198</u>	<u>\$ —</u>	<u>\$ 198</u>
Average shares outstanding, diluted (in millions)	31.7	31.7	31.7	32.2	32.2	32.2
Adjusted earnings per share	<u>\$ 1.64</u>	<u>\$ —</u>	<u>\$ 1.64</u>	<u>\$ 6.15</u>	<u>\$ —</u>	<u>\$ 6.15</u>

\*Tax impacts of adjustments less than \$1M.

	Three Months Ended December 31, 2016			Twelve Months Ended December 31, 2016		
	Electronics	Other/ Discontinued Operations	Total Visteon	Electronics	Other/ Discontinued Operations	Total Visteon
<b><u>Diluted earnings per share:</u></b>						
Net income attributable to Visteon	\$ 20	\$ (18)	\$ 2	\$ 139	\$ (64)	\$ 75
Average shares outstanding, diluted (in millions)	33.5	33.5	33.5	35.4	35.4	35.4
Diluted earnings per share	\$ 0.60	\$ (0.54)	\$ 0.06	\$ 3.93	\$ (1.81)	\$ 2.12
<b><u>Adjusted earnings per share:</u></b>						
Net income attributable to Visteon	\$ 20	\$ (18)	\$ 2	\$ 139	\$ (64)	\$ 75
Restructuring expense, net	26	1	27	37	12	49
Loss on non-consolidated affiliate transactions	1	—	1	—	—	—
Other expense, net	6	1	7	10	14	24
Other	—	—	—	1	—	1
Tax impacts of adjustments	(1)	—	(1)	(1)	—	(1)
Loss from discontinued operations, net of tax	—	25	25	—	40	40
Adjusted net income	\$ 52	\$ 9	\$ 61	\$ 186	\$ 2	\$ 188
Average shares outstanding, diluted (in millions)	33.5	33.5	33.5	35.4	35.4	35.4
Adjusted earnings per share	\$ 1.55	\$ 0.27	\$ 1.82	\$ 5.25	\$ 0.06	\$ 5.31

Adjusted net income and Adjusted earnings per share are not recognized terms under U.S. GAAP and do not purport to be a substitute for profitability. Adjusted net income and Adjusted earnings per share have limitations as analytical tools as they do not consider certain restructuring and transaction-related payments and/or expenses. In addition, the Company uses Adjusted net income and Adjusted earnings per share for internal planning and forecasting purposes.