

BANK OF HAWAII CORP

Form S-3

March 31, 2010

As filed with the United States Securities and Exchange Commission on March 31, 2010

Registration No. 333 -

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-3
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

BANK OF HAWAII CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

99-0148992
(I.R.S. Employer
Identification No.)

130 Merchant Street
Honolulu, Hawaii 96813
(808) 694-8366
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

Mark A. Rossi
Vice Chairman and Chief Administrative Officer
Bank of Hawaii Corporation
130 Merchant Street
Honolulu, Hawaii 96813
(808) 694-8366
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies to:

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Steven Kaplan, Esq.
 Arnold & Porter LLP
 555 Twelfth Street, N.W.
 Washington, D.C. 20004
 (202) 942-5000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. x

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

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 x Accelerated filer " Non-accelerated filer " Smaller reporting company "
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities To Be Registered | Amount To Be Registered | Proposed Maximum Offering Price Per Share (1) | Proposed Maximum Aggregate Offering Price(1)(2)(3) | Amount of Registration Fee (4) |
|--|-------------------------|---|--|--------------------------------|
| Common Stock, par value \$0.01 per share | 500,000 (1) (2) | \$ 44.75(3) | \$ 22,375,000.00(3) | \$ 1,595.34(3) |

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- (1) Pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.
 - (2) This Registration Statement on Form S-3 registers 500,000 shares of common stock. The amount being registered does not include approximately 1,000,000 shares of common stock previously registered in connection with the Plan and as yet unsold under Registration Statement No. 333-64248 on Form S-3. These shares are being carried forward on this Registration Statement pursuant to Rule 429 under the Securities Act. We previously paid a fee of \$6,237.50 for the registration of such shares.
 - (3) Estimated pursuant to Rule 457(c) solely for the purposes of calculating the amount of the registration fee. The fee with respect to the shares registered herein was based on the average of the high and low price per share of the Common Stock on March 24, 2010, as reported by the New York Stock Exchange.
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Prospectus

Common Stock
Par Value \$.01 per Share
Dividend Reinvestment and Stock Purchase Plan

This prospectus describes Bank of Hawaii Corporation's Dividend Reinvestment and Stock Purchase Plan ("the Plan"). The Plan provides holders of shares of Bank of Hawaii Corporation common stock with a simple, cost effective and convenient method of investing in our common stock.

The Plan allows you to:

- Reinvest all or part of your common stock cash dividends in additional shares of our common stock; and
- Purchase additional shares of our common stock by making optional cash payments.

You will not have to pay any commissions for reinvesting dividends or purchasing additional shares of common stock through optional cash purchases under the Plan because you will purchase your common stock directly from BOHC. There are, however, commissions and service charges for using other Plan services, including if you sell shares from the Plan.

If you currently participate in the Plan, you will remain enrolled in the Plan and you do not have to do anything unless you want to end your participation, change your elections or change your direct debit amounts for optional payments. If you are not a participant in the Plan but are eligible to join, you may become one by completing an authorization form and returning it to Computershare Investor Services, LLC, which administers the Plan. You may request those forms by calling 1-888-660-5443. Shareholders who do not wish to participate in the Plan and reinvest dividends will continue to receive cash dividends, as declared, in the usual manner.

This prospectus covers 500,000 shares of our common stock that are registered for sale under the Plan. You should keep this prospectus for future reference.

Our common stock is listed and traded on the New York Stock Exchange under the symbol "BOH". On March 24, 2010, the closing price per share of our common stock on the NYSE was \$44.75.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

These securities will be our equity securities and will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.

This prospectus is dated March 30, 2010.

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About This Prospectus

This document is called a prospectus and is part of a registration statement that we filed with the Securities and Exchange Commission, commonly known as the SEC, relating to the shares of our common stock offered under the Plan. This prospectus does not include all of the information in the registration statement and provides you with a general description of the securities offered and the Plan. The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us, the Plan and the securities offered. You may read the registration statement at the SEC web site or at the SEC offices mentioned under the heading “Where You May Find More Information.”

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus, including the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus or any document incorporated by reference is truthful or complete at any date other than the date mentioned on the cover page of these documents.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to “BOHC,” “we,” “us,” “our,” or similar references mean Bank of Hawaii Corporation and its subsidiaries.

Bank of Hawaii Corporation

BOHC is a Delaware corporation and a bank holding company. We were incorporated in Hawaii in 1971. We changed our state of incorporation to Delaware in 1998.

BOHC’s principal subsidiary, Bank of Hawaii (the “Bank”), was organized under the laws of Hawaii on December 17, 1897 and has its headquarters in Honolulu, Hawaii. Its deposits are insured by the Federal Deposit Insurance Corporation. The Bank is a member of the Federal Reserve System.

Through the Bank and its subsidiaries, BOHC provides a range of financial services and products primarily in Hawaii and the Pacific Islands (Guam and nearby islands and American Samoa). The Bank’s subsidiaries are engaged in equipment leasing, securities brokerage and investment services, among other activities.

BOHC is a separate and distinct legal entity from our subsidiaries. Dividends received from our subsidiaries are our principal source of funds to pay dividends on our common stock and debt service on our debt. Various Federal and state statutes and regulations limit the amount that our banking and other subsidiaries may pay to us without regulatory approval.

Our principal executive offices are located at 130 Merchant Street, Honolulu, Hawaii 96813, telephone (808) 694-8239.

Description of the Plan

The following is a question and answer explanation of the provisions of the Plan, as in effect on the date of this prospectus. If you do not participate in the Plan, you will continue to receive cash dividends, as declared, by check or direct deposit.

1. What is the purpose of the Plan?

The primary purpose of the Plan is to provide existing shareholders with a simple and convenient method of investing cash dividends and making optional payments to purchase additional shares of our common stock without paying any brokerage commissions or service charges.

Because shares that you acquire under the Plan will be purchased directly from us, we will use the proceeds for general corporate purposes.

2. What are the advantages of the Plan?

If you participate in the Plan, you may:

- Automatically reinvest cash dividends on all or part of your shares of common stock in additional shares of common stock;
- Invest additional cash, ranging from a minimum of \$25 per payment up to an aggregate of \$5,000 per calendar quarter, in additional shares of common stock;
 - Avoid brokerage commissions and service charges in connection with purchases under the Plan;
- Reinvest the full amount of all dividends and any optional payments, since you may hold fractional share interests under the Plan; and
- Avoid certain safekeeping and record-keeping requirements and costs through the free custodial service and reporting provisions of the Plan.

3. What are some possible disadvantages of the Plan?

- If you make an optional payment but later change your mind and want it returned to you, we will do so only if we receive your request by the business day before the applicable investment date.
- You may be taxed on the fair market value of shares received from the reinvestment of cash dividends on your shares of common stock, but will not receive the cash that is reinvested.
 - We will not pay interest on optional payments while we hold them pending investment.
- If you send in an optional payment, the price of our common stock may go up or down before the applicable investment date.

4. What are some important dates to remember about the Plan?

- In order for a particular dividend to be reinvested under the Plan, we must receive your authorization form at least ten business days before the record date for that dividend.

- If you want to make an optional payment under the Plan, we must receive your payment and optional payment form on or before the last day of the preceding calendar month.

- The price for shares of common stock that you purchase under the Plan will be determined based on the average closing price of our common stock on the NYSE for the five trading days ending on the applicable investment date.
- In months in which a dividend is paid, the investment date will be the dividend payment date. In months in which a dividend is not paid, the investment date will be the tenth business day of the month.
- The administrator must receive your optional payment between the tenth business day and the last business day of the month. Payments received after this time will be applied to the next purchase period.

5. Who administers the Plan?

The Plan administrator, transfer agent and dividend disbursement agent is Computershare Investor Services, LLC. The contact information for Computershare Investor Services, LLC is as follows:

Applications and Sales Requests:

First Class, Registered & Certified Mail
Computershare Investor Services, LLC
P.O. Box 43078
Providence, RI 02940-3078

Overnight Courier
Computershare Investor Services, LLC
250 Royall Street
Canton, MA 02021

Optional Cash Purchases:

Computershare Investor Services, LLC
P.O. Box 6006
Carol Stream, IL 60197-6006

Toll-free number 1-888-660-5443, 7 a.m. - 5 p.m., Central Time, Monday through Friday Outside U.S. (312) 360-5184 7 a.m. - 5 p.m., Central Time, Monday through Friday Website: www.computershare.com, access Investor Centre.

Any optional cash payment should be made payable to “Computershare.” For additional information about optional cash payments, see Questions 15-17.

6. Who is eligible to participate in the Plan?

All record holders of our common stock are eligible to participate in the Plan. To facilitate participation in the Plan by beneficial owners of BOHC common stock whose shares are held in the name of a nominee, the Plan administrator may accept dividend reinvestment instructions from such nominees within a reasonable period after the record date established for payment of a particular dividend, generally not to exceed five business days.

All of the other provisions of the Plan apply to nominees. Optional cash payments with respect to all shares of any record owner may not exceed \$5,000 per quarter. To avoid such limitation with respect to a nominee, beneficial owners may elect to have their shares transferred into their own name(s). In addition, optional cash payments made by a nominee must be received by the Plan administrator within the period described in question 15.

7. How do I join the Plan?

If you already are the record owner of shares of our common stock, you may join the Plan by obtaining, completing and signing an authorization form and returning it to the administrator. If you already own shares of common stock,

and your shares are held in a name other than yours (for example, in “street” name, or the name of a bank, custodian or other nominee), you must either first transfer record ownership of your shares into your own name, or your nominee must elect to participate on your behalf.

You may obtain blank authorization forms from, and send completed forms to, Computershare Investor Services, LLC as detailed in question 5. You also may obtain authorization forms by calling Computershare’s toll free number at 1-888-660-5443 or logging on to Computershare’s Investor Centre at www.computershare.com.

8. When may I join the Plan?

If you already are the record owner of shares of our common stock, you may join the Plan at any time. If we receive your authorization form at least ten business days before the record date for a particular dividend, we will begin reinvesting your dividends with that dividend. In the past, quarterly dividend record dates usually have occurred during the last week of February, May, August and November, and the corresponding dividend payment dates usually have occurred on the tenth business day of March, June, September and December.

9. What options are available to me when I join the Plan?

You may elect the following investment options when you join the Plan:

- Full Dividend Reinvestment. This option allows you to reinvest dividends on all shares of common stock you own. You also may make optional payments.
- Partial Dividend Reinvestment. This option allows you to reinvest dividends on only some of the shares of common stock you own, but continue to receive cash dividends on the rest of your shares. You also may make optional payments.
- Optional Payments Only. Under this option, you may make optional payments only. You will continue to receive cash dividends on your shares of common stock that are not enrolled in the Plan.

If your authorization form does not specify an investment option, we will select full dividend reinvestment as your investment option.

Any shares that you acquire through optional purchase will be automatically enrolled in the Plan, so dividends on those shares will be automatically reinvested.

If you do not elect full dividend reinvestment, you may have us directly deposit your cash dividends into your checking or savings account by completing and returning a direct deposit authorization to the administrator.

You may change your investment option at any time by signing a new authorization form and returning it to the administrator. However, if you change your option with respect to reinvestment of dividends, your new election will be effective for a particular dividend only if we receive it ten business days preceding the record date for that dividend.

10. What fees will I incur in connection with the Plan?

For purchases, you will not have to pay any commissions because you will purchase your common stock directly from BOHC. We will pay all fees and costs of administering the Plan. You will pay (i) brokerage commissions and certain fees if you elect to have the administrator sell shares on your behalf, and (ii) certain service charges associated with other Plan services. A summary of these charges is set forth in the attached Fee Schedule.

11. Where do you get the common stock that participants purchase under the Plan?

BOHC common stock is purchased directly from BOHC out of authorized but unissued or treasury shares.

12. When will shares of common stock be purchased?

All purchases of common stock under the Plan, whether through dividend reinvestment or optional payment, will be made once a month on the investment date. In months in which we pay a cash dividend, the investment date will be the same as the dividend payment date. In other months, the investment date will be the tenth business day of the month.

13. At what price will shares of common stock be purchased?

The purchase price per share of common stock will be the market price, which for Plan purposes we will determine by averaging the closing price of our common stock on the NYSE for the five trading days ending on the investment date. However, if for any reason there is no trading in common stock during any of those days, we will determine the market price based on whatever market quotations we deem appropriate. We will never sell you shares at less than their par value, which is \$.01 per share.

14. How many shares of common stock will be purchased for me?

This depends on the amount of your reinvested dividend or optional payment, and the market price of our common stock. Your account will be credited with the number of shares, including fractional share interests computed to six decimal places, equal to the total amount to be invested, divided by the applicable purchase price per share. (See answer to question 13 above.)

15. When may I make an optional payment?

Once you have joined the Plan, you may make optional payments in any month. The administrator must receive your optional payment between the tenth business day and the last business day of the month. Payments received after this time will be applied to the next purchase period. Interest is not paid on funds received from you prior to investment.

16. How do I make an optional payment?

Your optional payments in any calendar quarter may not exceed \$5,000. For this purpose, we deem the payment to have been made on the date it was invested. You may vary the amount of each optional payment within these limits. You are not obligated to make any optional payments. We reserve the right in our sole discretion to determine whether optional payments are made on your behalf.

You may purchase additional stock for your account in three ways: by regular monthly electronic deductions, by one-time online bank debit and by check.

- You may authorize automatic monthly deductions from your bank account by completing and returning an authorization form or you may submit a request online at www.computershare.com.
- You may authorize a one-time online bank debit from your U.S. bank account by going to www.computershare.com.
 - You may make optional cash investments by sending a check (in U.S. dollars) made out to “Computershare” along with a completed contribution form, which can be found attached to your statement.

In the event that any participant’s check for a cash contribution is returned unpaid for any reason, or an authorized electronic funds transfer cannot be effected, the administrator will consider the request for investment of such funds null and void. The administrator will immediately remove from the participant’s account those shares, if any, purchased upon the prior credit of such funds. The administrator will then be entitled to sell shares to satisfy any uncollected amounts, plus any applicable fees. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, the administrator will be entitled to sell such additional shares from the participant’s account as may be necessary to satisfy the uncollected balance.

17. What other rules apply to optional payments?

If you make an optional payment and later want it returned to you, we must receive your request by the business day before the applicable investment date.

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We will not pay interest on your optional payments while we hold them pending investment in common stock. Your check must clear before your funds will be available for a purchase under the Plan. Checks drawn on foreign banks are subject to collection fees and exchange rates on the date of negotiation. If you have sent in an initial stock purchase or optional payment, you may cancel by writing to: Computershare Investor Services, LLC, as detailed in question 5. We must receive your written cancellation instructions by the business day preceding the investment date.

18. What reports will you send to me?

We will send you a statement of account at least once each quarter showing amounts invested, purchase prices, shares purchased, and other information for the year to date. Each year, the fourth quarter statement with summary will reflect year-to-date information, which you should retain for your records. We also will send you a Form 1099 for income tax purposes.

We will send you copies of the same communications sent to all shareholders, including our Form 10-K and the Notice of Annual Meeting and Proxy Statement.

We will send you all notices and reports to your last address of record with the administrator. Therefore, in the event of a change of address, you should promptly notify the administrator by writing to Computershare Investor Services, LLC, as detailed in question 5.

19. Will I receive dividends on shares held in my account?

Yes. We will pay cash dividends on all shares of common stock held in your account on the basis of the number of full shares and fractional share interests you hold on the relevant record date. Your dividends will be automatically reinvested to purchase additional shares of common stock, which will be credited to your account.

20. Will I receive a certificate for shares held in my account?

The shares you hold in your account will be registered in the name of the administrator or its nominee, and the number of shares credited to your account under the Plan will be shown on your quarterly statement. This protects against loss, theft, or destruction of stock certificates. Therefore, we will not issue you certificates for the shares held in your account unless you terminate your participation in the Plan or withdraw all or some of the shares from your account.

21. How may I withdraw shares from my account?

You may withdraw some or all of the shares from your account by completing the withdrawal form attached to your dividend reinvestment statement or requesting the administrator to do so, in writing. You should send those forms and requests to: Computershare Investor Services, LLC, as detailed in question 5. You will receive certificates for whole shares withdrawn, unless you request cash instead of share certificates. For further information on requesting cash instead of share certificates, see question 23, "Can I receive cash instead of share certificates when I withdraw shares or terminate my participation?" We will not issue a certificate for any fraction of a share; instead, we will pay you cash for any fraction of a share, based on the then-current market price. When you withdraw shares from your account and we issue you a certificate, those shares will continue to participate in the Plan in accordance with your elections unless you direct otherwise. In no case will a certificate representing a fractional share interest be issued.

22. How may I terminate my participation in the Plan?

To terminate your account, you can access your account online at www.computershare.com. Termination requests can also be submitted via telephone or mailed to the administrator together with the transaction form included with your statement.

In the event your notice of termination is received near a record date for an account whose dividends are to be reinvested, the administrator, in its sole discretion, may either distribute such dividends in cash or reinvest them in shares on your behalf. In the event reinvestment is made, the administrator will process the termination as soon as practicable, but in no event later than five business days after the investment is completed. If, after the termination of your participation, less than five shares remain in your account, we have the right, but not the obligation, to issue certificates for such shares and liquidate any fractional share interest.

23. Can I receive cash instead of share certificates when I withdraw shares or terminate my participation?

You may sell all or a portion of the whole shares of stock in your account at any time, upon request. Just visit www.computershare.com/US/register and register as an Investor Centre member. Sales requests can also be submitted via telephone through an automated Interactive Voice Response (IVR) system or mailed to the administrator together with the transaction form included with your statement.

All sale instructions received by the administrator will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations), assuming the applicable market is open for trading.

If you wish to sell shares you own as certificates, you may deposit the certificates into your account and then sell the shares.

All sale instructions are final when the administrator receives them. Your sale instructions cannot be cancelled or stopped.

Sales processed on accounts lacking a valid Form W-9 certifying the accuracy of your taxpayer identification number for U.S. holders, or a Form W-8BEN for non-U.S. beneficial owners, will be subject to backup withholding tax at the then effective rate. By furnishing the appropriate form to the administrator before the sale takes place, you will avoid subjecting your sales proceeds to backup withholding tax.

If you prefer to sell your shares through a broker, you may request a certificate to provide to your broker. See question 10 for information regarding fees associated with sales by the administrator.

24. How will the shares in my Plan account be held?

The shares of common stock that you purchase under the Plan will be registered in the name of the administrator or its nominee, and the administrator will keep an individual account for you to record your interest in these shares.

25. Does the Plan provide for safekeeping of shares?

Yes. The Plan automatically provides for safekeeping of shares purchased through the Plan, whether by dividend reinvestment or optional payment, unless and until you withdraw those shares from your account. There is no charge for this service.

You also may at any time deposit with the administrator for safekeeping certificates for other shares of common stock that you hold of record and that participate in the Plan, including shares that you acquired other than through the Plan and shares that you previously withdrew from your Plan account. If you want to use this safekeeping feature, you should send the certificates to the administrator, together with a written request that the shares be held in safekeeping. For better security, we suggest that you send these certificates by registered mail, return receipt requested, and insure them in an amount sufficient to cover the bond premium that would be charged to replace the certificates if they are lost or destroyed.

The administrator will register those shares in its or its nominee's name and show those shares separately in your Plan account, but, as with other shares in your Plan account, you will remain the beneficial owner of those shares. The administrator currently does not charge any fees in connection with such an account, but may impose a fee (or increase its fee) for this service at any time.

26. May I transfer shares between Plan accounts, or from my Plan account to someone else?

Yes, you may transfer shares from one account in the Plan to another account in the Plan or may direct that shares be issued from your account to another person. You must complete and provide to the administrator any forms that it requires for such a transfer or issuance.

27. What happens if I transfer or sell all of the shares registered in my name?

If you dispose of all shares of common stock registered in your name without terminating your participation in the Plan, we will continue to reinvest dividends on the shares in your Plan account.

28. What happens if BOHC has a rights offering, stock dividend or stock split?

Any common stock dividend or stock split on our common stock held in your Plan account will be credited to your Plan account. If you have common stock that is not held in your Plan account, we will mail all stock distributable to you as a result of the stock dividend or stock split.

If we make available to shareholders rights or warrants to purchase additional shares of common stock or other securities, we will make them available to you based on the number of shares you own of record, as well as the number of shares you hold in your Plan account (including fractional share interests to the extent practicable) on the relevant record date.

If we have a stock split, stock dividend or other similar transaction, the number of shares of common stock covered by this prospectus will also be increased accordingly.

29. How will my shares be voted at a shareholders' meeting?

Our proxy agent will forward all proxy materials to you by electronic means or by mail, including a form of proxy covering all shares you own of record and all shares held in your Plan account. You may vote those shares by proxy, or you may vote them in person at the meeting. If you send in a completed, signed proxy card, but do not give us instructions as to how to vote for a particular matter, all shares in your Plan account will be voted in accordance with the recommendations of BOHC's management. If you do not return a proxy card or it is not signed, none of your shares will be voted unless you vote in person at the meeting.

30. May I pledge or encumber the shares in my Plan account?

You may not pledge or encumber the shares in your Plan account while they are in that account. If you want to pledge or encumber those shares, you must request that they be withdrawn from your account and obtain a share certificate in your own name.

31. What are the material Federal income tax consequences of participation in the Plan?

In general, you will recognize dividend income on any dividends payable on shares of common stock that you own, whether or not you elect to reinvest the dividends in shares of common stock. If you elect to reinvest the cash dividends on all or part of your shares of common stock in additional shares of common stock, you will be treated for Federal income tax purposes as having received dividend income equal to the fair market value (based on the market price) of the shares of common stock purchased with the reinvested dividends on the dividend payment date. (Refer to question 13 of this prospectus for information regarding how the market price of the shares purchasable under the Plan is determined.) Your tax basis in the shares of common stock purchased with the reinvested dividends will equal the fair market value (based on the market price) of the shares as of the dividend payment date, and your holding period

for those shares will begin on the day after the dividend payment date. To the extent that you elect not to have dividends reinvested in shares of common stock, you will recognize dividend income equal to the amount of cash received on the dividend payment date.

Under the Plan, you will not realize any taxable income when you purchase shares of common stock at fair market value (based on the market price) with optional cash payments. Your tax basis in the shares purchased will be equal to the amount you paid for the stock, and your holding period for those shares will begin on the day after the investment date.

You will not realize any taxable income when you receive certificates for whole common shares that you withdraw from your Plan account or any safekeeping account, whether you request those certificates or receive them upon termination of your participation in the Plan or termination of the Plan. However, when you receive a cash payment instead of shares or for a fraction of a share, you will recognize a gain or loss equal to the difference between the amount you receive for the share or fraction of a share, and your tax basis in that share or fraction of a share. You may also recognize a gain or loss when your common stock is sold or exchanged (whether by you after your receipt of the share certificates or pursuant to your request upon termination of your participation in the Plan).

If your dividends are subject to United States income tax withholding (including if you are a foreign stockholder), we will deduct the amount of the tax that is subject to withholding from your dividends before reinvestment in additional shares for your Plan account. Plan statements will confirm purchases made and indicate that tax has been withheld. Pursuant to Internal Revenue Service regulations, the amount of tax to be withheld will be determined by applying the applicable withholding rate to an amount equal to the amount of cash dividends that the participant would have received had the dividends been paid to the participant in cash.

This discussion is intended only as a general discussion of the current Federal income tax consequences of participation in the Plan. We advise you to consult with your own tax advisor as to the Federal, state, local and foreign tax implications of your participation in the Plan, including the effect of any changes in law or regulation after the date of this prospectus.

32. What is the responsibility of BOHC and the administrator?

As part of its responsibilities, the administrator will maintain Plan accounts, enroll new participants, and process shareholder requests via the internet, telephone, or received by mail. The administrator will reinvest dividends, send detailed plan statements to participants after each transaction, provide summary reports for each investment and send Forms 1099 to Plan participants.

Neither BOHC, the administrator, nor any of their representatives, employees, or agents will be liable for acts or omissions undertaken in good faith, including acts occurring before you terminate your participation in the Plan, the prices at which shares are purchased or sold for your account, and when those purchases and sales are made. These provisions do not preclude your exercise of any rights under Federal or state securities laws. All transactions in connection with the Plan shall be governed by the laws of the State of Delaware.

33. May the Plan be changed or terminated?

We reserve the right to suspend, modify, or terminate the Plan at any time. In addition, we may adopt rules and procedures for the administration of the Plan, interpret the provisions of the Plan and make any necessary determinations relating to the Plan. Any such rules, procedures, interpretations and determinations shall be final and binding. We will notify you of any suspension, termination, or material modification of the Plan. If we terminate the Plan, we will issue you certificates for whole shares credited to your Plan account and any safekeeping account, and pay you in cash for any fraction of a share interest in your Plan account.

34. Are there any special restrictions on the sale or transfer of shares of common stock purchased under the Plan?

Participants who are considered "affiliates" of BOHC, which include BOHC directors and certain senior executive officers, may only sell their shares of common stock acquired under the Plan in compliance with the resale provisions of Rule 144 under the Securities Act or as otherwise permitted under the Securities Act. Furthermore, Participants may not sell shares of common stock if they are aware of material nonpublic information concerning BOHC or its securities.

In addition, if you are a director, officer or employee of BOHC or one of its subsidiaries, you are urged to review the BOHC Code of Business Conduct and Ethics and the BOHC Securities Trading Policy, which stipulate certain restrictions on your ability to make, and the timing of, your sales of BOHC common stock.

35. Does participation in the Plan entail any risks?

Yes. There are risks and uncertainties involved with an investment in shares of our common stock. Participation in the Plan involves the purchase of shares of BOHC common stock. In purchasing stock, you take a certain risk with your money. Stock prices may fall or rise depending on financial and other developments at BOHC, as well as circumstances in the broad stock market. General economic conditions and political events can also influence stock prices. BOHC cannot provide any assurance that shares purchased under the Plan will, at any particular time, be worth as much as or more than their purchase price. In other words, there is a risk that if you sell the shares of common stock, you will receive less than what was paid for the shares. Please refer to the section entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2009, and subsequent periodic and current reports, filed with the SEC and incorporated by reference into this prospectus for a discussion of the factors that you should consider in connection with an investment in shares of our common stock.

Use of Proceeds

The net proceeds from the sale of the shares of common stock offered under the Plan will be used for general corporate purposes of BOHC, which may include the reduction of indebtedness, investments at the holding company level, investments in, or extensions of credit to, our banking and nonbanking subsidiaries and other banks and companies engaged in other financial service activities, the purchase of our outstanding equity securities, and possible acquisitions. Pending such use, the net proceeds may be temporarily invested. The precise amounts and timing of the application of net proceeds will depend upon our funding requirements and the availability of other funds. Based upon our past and anticipated growth, we may engage in additional financings of a character and amount to be determined as the need arises.

Legal Matters

Arnold & Porter LLP has passed on the validity of the common stock to be offered hereunder.

Experts

The consolidated financial statements of Bank of Hawaii Corporation incorporated by reference in Bank of Hawaii Corporation's Annual Report (Form 10-K) for the year ended December 31, 2009, and the effectiveness of Bank of Hawaii Corporation's internal control over financial reporting as of December 31, 2009, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon incorporated by reference therein, and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Forward Looking Statements

This prospectus contains or incorporates forward-looking statements concerning, among other things, the economic and business environment in our service area and elsewhere, credit quality, and other financial and business matters in future periods. Words such as "believes," "anticipates," "expects," "intends," "targeted," and similar expressions are intended identify forward-looking statements but are not exclusive means of identifying such statements. Our forward-looking statements are based on numerous assumptions, any of which could prove to be inaccurate and actual results may differ materially from those projected because of a variety of risks and uncertainties, including, but not limited to: 1) general economic conditions either nationally, internationally, or locally may be different than expected; 2) unanticipated changes in the securities markets, public debt markets, and other capital markets in the U.S. and globally; 3) the effect of the increase in government intervention in the U.S. financial system; 4) competitive pressure among financial services and products; 5) the impact of legislation and changes in the regulatory environment; 6) changes in fiscal and monetary policies of the markets in which we operate; 7) actual or alleged conduct which could

harm our reputation; 8) changes in accounting standards; 9) changes in tax laws or regulations or the interpretation of such laws and regulations; 10) changes in our credit quality or risk profile that may increase or decrease the required level of our reserve for credit losses; 11) changes in market interest rates that may affect credit markets and our ability to maintain our net interest margin; 12) unpredicted costs and other consequences of legal or regulatory matters involving the Company; 13) resumption of common stock repurchases; and 14) geopolitical risk, military or terrorist activity, natural disasters, or adverse weather, public health, and other conditions impacting us and our customers' operations. For a detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements, please refer to the section entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2009, and subsequent periodic and current reports, filed with the SEC. We do not undertake an obligation to update forward-looking statements to reflect later events or circumstances.

Where You May Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. In addition, our SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. You may also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows us to "incorporate by reference" into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until our offering is completed:

- BOHC's Annual Report on Form 10-K for the year ended December 31, 2009;
- BOHC's Current Report on Form 8-K filed on January 19, 2010; and
- The description of BOHC's Common Stock contained in the Form 8-K filed on May 5, 1998, including any amendment or any report or other filing with the SEC filed subsequent thereto and updating that description.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address: Bank of Hawaii Corporation, P.O. Box 2900, Honolulu, Hawaii 96846, Attention: Corporate Secretary Department, telephone (808) 694-8239 or on our website at www.boh.com.

Indemnification

Section 145 of the Delaware General Corporation Law (the "DGCL") authorizes a Delaware corporation to indemnify its directors, officers, employees and agents against certain liabilities and expenses they may incur in such capacities, and provides that such persons have a right to indemnification against expenses where they have been successful on the merits or otherwise in defense of certain types of actions or any claim, issue or matter therein. The indemnification provided by Section 145 is not exclusive of any other indemnification rights that may exist under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise. BOHC's bylaws require that BOHC indemnify and hold harmless, to the fullest extent permitted by applicable law, any person who was or is made or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding by reason of the fact that such person is or was a director or officer of BOHC or is or was serving at its request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (including service with respect to employee benefit plans) against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person. In addition, BOHC maintains insurance under which its directors, officers and employees and agents are insured against certain liabilities. Also, BOHC's certificate of incorporation includes provisions that eliminate the personal liability of BOHC's directors for monetary damages resulting from breaches of their fiduciary duty of care, except in any case where such elimination is not permitted by the DGCL then in effect. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors,

officers or persons controlling BOHC pursuant to the foregoing provisions, BOHC has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

FEE SCHEDULE

This Fee Schedule sets forth the current maximum rates of the fees and charges that will be incurred by you if you are provided the services under the Plan specified in this Fee Schedule. These maximum rates are subject to change by BOHC and the administrator.

| | |
|---|---|
| Dividend Reinvestment and Stock Purchase Plan Sales | . \$15.00 each sale plus \$.03 per share sold; An additional \$10.00 service fee will be charged if the assistance of a registered broker is required when selling shares. |
| Copies of Account Statements or 1099s for prior years | \$10 for each year requested (no charge for current tax year requests) |
| Return Check Fee | \$25.00 each |
| ACH Reject Fee | \$25.00 each |

See also www.computershare.com under Investor Centre for the current prevailing fees, including fees that may apply to other shareholder services.

PART II

Information Not Required in This Prospectus

ITEM 14.
Other
Expenses of
Issuance and
Distribution.

The following table sets forth the costs and expenses in connection with the issuance and distribution of the common stock being registered. All amounts are estimated except the SEC registration fee.

| | |
|------------------------------|-----------|
| SEC registration fee | \$ |
| Accounting fees and expenses | \$ |
| Legal fees and expenses | \$ |
| Printing expenses | \$ |
| Miscellaneous | \$ |
| Total | \$ |

ITEM 15.
Indemnification
of Directors
and Officers.

Section 145 of the Delaware General Corporation Law (the “DGCL”) authorizes a Delaware corporation to indemnify its directors, officers, employees and agents against certain liabilities and expenses they may incur in such capacities, and provides that such persons have a right to indemnification against expenses where they have been successful on the merits or otherwise in defense of certain types of actions or any claim, issue or matter therein. The indemnification provided by Section 145 is not exclusive of any other indemnification rights that may exist under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise.

Article VI of the registrant’s bylaws require that the registrant indemnify and hold harmless, to the fullest extent permitted by applicable law (including circumstances in which indemnification is otherwise discretionary), any person who was or is made or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding by reason of the fact that such person is or was a director or officer of the registrant or is or was serving at its request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (including service with respect to employee benefit plans) against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such person. In addition, the registrant maintains insurance under which its directors, officers and employees and agents are insured against certain liabilities.

Also, the registrant’s Certificate of Incorporation includes provisions which eliminate the personal liability of registrant’s directors for monetary damages resulting from breaches of their fiduciary duty of care, provided that such provision does not eliminate liability for breaches of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, violations of Sections 174 of the DGCL (concerning the willful or negligent violation of statutory provisions precluding payment of certain dividends and certain stock purchases or redemptions) or for any other transactions from which the director derived an improper personal benefit.

ITEM 16. Exhibits.

The exhibits listed on the Index to Exhibits of this Registration Statement are filed herewith or are incorporated herein by reference to other filings.

ITEM 17.
Undertakings.

(a) The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, That:

Paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City and County of Honolulu, State of Hawaii, on March 30, 2010.

BANK OF HAWAII CORPORATION

Date: March 30, 2010

By: /s/ Mark A. Rossi
Mark A. Rossi,
Vice Chairman and
Chief Administrative Officer
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on March 30, 2010.

| Signature | Title |
|------------------------------------|--|
| * _____ Allan R. Landon | Chairman, Chief Executive Officer and Director (Principal Executive Officer) |
| * _____ Kent T. Lucien | Vice Chairman, Chief Financial Officer and Director (Principal Financial Officer) |
| * _____ Derek J. Norris | Senior Executive Vice President, Controller and Principal Accounting Officer (Principal Accounting Officer) |
| * _____ S. Haunani Apoliona | Director |
| * _____ Mary G. F. Bitterman | Director |
| * _____ Mark A. Burak | Director |
| * _____ Michael J. Chun | Director |
| * _____ | Director |

Clinton R. Churchill

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* Director

David A. Heenan

* Director

Peter S. Ho

* Director

Robert Huret

* Director

Martin A. Stein

* Director

Donald M. Takaki

* Director

Barbara J. Tanabe

* Director

Robert W. Wo, Jr.

* By: /s/ Mark A. Rossi

Mark A. Rossi
Attorney-in-fact

INDEX TO EXHIBITS

| Exhibit No. | Exhibit Title |
|-------------|---|
| 5.1 | Opinion of Arnold & Porter LLP |
| 23.1 | Consent of Arnold & Porter LLP (included in Exhibit 5.1). |
| 23.2 | Consent of independent registered public accounting firm. |
| 24.1 | Power of Attorney (filed herewith). |

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rcise price equal to \$6.90 per share, and which expire on October 1, 2013 were outstanding during the first quarter of 2006 but were not included in the computation of diluted earnings (loss) per share because the exercise price was greater than the average market price of the common shares.

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

NOTE 14. Asset Securitization

The Company has certain agreements in place whereby trade accounts receivable are sold to third-party financial institutions without recourse. The Company had sold 58 million euro (\$71 million), and 99 million euro (\$117 million) under such agreements in Europe as of March 31, 2006 and December 31, 2005, respectively. Additionally, the Company had sold 830 million Japanese yen (\$7 million) of trade receivables under such agreements as of December 31, 2005.

The Company recognized losses of approximately \$1 million for the three-months ended March 31, 2006 and less than \$1 million for the three-months ended March 31, 2005, representing the discount from book values at which these receivables were sold to third parties.

NOTE 15. Commitments and Contingencies

Guarantees

The Company has guaranteed approximately \$137 million and \$136 million of debt capacity held by consolidated subsidiaries, and \$88 million and \$84 million for lifetime lease payments held by consolidated subsidiaries at March 31, 2006 and December 31, 2005, respectively. In addition, the Company has guaranteed certain Tier 2 suppliers' debt and lease obligations and other third-party service providers' obligations of up to \$20 million at March 31, 2006 and December 31, 2005, to ensure the continued supply of essential parts.

The Company and its subsidiaries own a 38% equity interest in Vitro Flex S.A. de C.V., a joint venture that manufactures and supplies tempered and laminated glass for use in automotive vehicles. Pursuant to the joint venture agreement the Company is required to provide, through 2008, sales orders and/or other competitively-priced business opportunities meeting certain average annual levels, mainly based on the venture's manufacturing capacity. In addition to the Company's equity investment of \$19 million, the Company has exposure to the after tax cash effect for shortfalls to agreed upon average annual sales levels pursuant to the joint venture agreement.

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. Class action status has not yet been certified in this litigation. In December 2005, defendants moved to dismiss the amended complaint for failure to state a claim. Oral argument on that motion is scheduled for May 2006.

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

NOTE 15. Commitments and Contingencies (Continued)

In March 2005, a number of current and former directors and officers were named as defendants in two shareholder derivative suits pending in the State of Michigan Circuit Court for the County of Wayne. As is customary in derivative suits, the Company has been named as a defendant in these actions. As a nominal defendant, the Company is not liable for any damages in these suits nor is any specific relief sought against the Company. The complaints allege that, among other things, the individual defendants breached their fiduciary duties of good faith and loyalty and aided and abetted such breaches during the period between January 23, 2004 and January 31, 2005 in connection with the Company's conduct concerning, among other things, the matters alleged in the securities class action discussed immediately above. The derivative matters have been stayed pending resolution of defendants motion to dismiss the securities matter pending in the Eastern District of Michigan.

In March and April 2005, the Company and a number of current and former employees, officers and directors were named as defendants in three class action lawsuits brought under the Employee Retirement Income Security Act (ERISA) in the U.S. District Court for the Eastern District of Michigan. In September 2005, the plaintiffs filed an amended and consolidated complaint, which generally alleges that the defendants breached their fiduciary duties under ERISA during the class period by, among other things, continuing to offer Visteon stock as an investment alternative under the Visteon Investment Plan (and the Visteon Savings Plan for Hourly Employees, together the

Plans), failing to disclose complete and accurate information regarding the prudence of investing in Visteon stock, failing to monitor the actions of certain of the defendants, and failing to avoid conflicts of interest or promptly resolve them. These ERISA claims are predicated upon factual allegations similar to those raised in the derivative and securities class actions described immediately above. The consolidated complaint was brought on behalf of a named plaintiff and a putative class consisting of all participants or beneficiaries of the Plans whose accounts included Visteon stock at any time from July 20, 2001 through May 25, 2005. Class action status has not yet been certified in this litigation. In November 2005, the defendants moved to dismiss the consolidated amended complaint on various grounds. Oral argument on that motion is scheduled for June 2006.

The Company and its current and former directors and officers intend to contest the foregoing lawsuits vigorously. However, at this time the Company is not able to predict with certainty the final outcome of each of the foregoing lawsuits or its potential exposure with respect to each such lawsuit. In the event of an unfavorable resolution of any of these matters, the Company's earnings and cash flows in one or more periods could be materially affected to the extent any such loss is not covered by insurance or applicable reserves.

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.

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

NOTE 15. Commitments and Contingencies (Continued)

The following table provides a reconciliation of changes in product warranty and recall liability for the three-months ended March 31, 2005 and 2006:

| | Product Warranty and Recall | |
|--------------------------------|--|-------------|
| | 2006 | 2005 |
| | (Dollars in Millions) | |
| Beginning balance, December 31 | \$ 148 | \$ 94 |
| Accruals for products shipped | 11 | 18 |
| Changes in estimates | 8 | 20 |
| Settlements | (7) | (8) |
| Ending balance, March 31 | \$ 160 | \$ 124 |

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 March 31, 2006, had recorded a reserve of approximately \$9 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 reserve 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 reserve.

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; and intellectual property rights. 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.

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

NOTE 15. Commitments and Contingencies (Continued)

Contingencies are subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves 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 March 31, 2006 and that are in excess of established reserves. 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 16. 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 certain 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.

In late 2005 the Company announced a new operating structure to manage the business on a go-forward basis, post the ACH Transactions. During the first quarter of 2006 the Company completed the realignment of its information systems and reporting structures to facilitate financial reporting for the new operating structure. Accordingly, segment disclosures have been updated to reflect the current operating structure and comparable prior period segment data has been revised.

The Company's revised 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 with ACH for the costs of leased employees and other services provided to ACH by the Company.

The Company's chief operating decision making group, comprised of the Chief Executive Officer (CEO), Chief Operating Officer (COO) 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.

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

NOTE 16. Segment Information (Continued)*Overview of Segments*

Climate: The Company's Climate product group includes facilities that primarily manufacture climate products including air handling modules, powertrain cooling modules, climate controls, heat exchangers, compressors, fluid transport, and engine induction systems.

Electronics: The Company's Electronics product group includes facilities that primarily manufacture products including audio systems and components, infotainment, driver information, powertrain controls and lighting.

Interiors: The Company's Interior product group includes facilities that primarily manufacture products including instrument panels, cockpit modules, door trim and floor consoles.

Other: The Company's Other product group includes facilities that primarily manufacture fuel products, chassis products, powertrain products, alternators and starters, as well as parts sold and distributed to the automotive aftermarket.

Services: The Company's Services operations supply leased personnel and transition services to ACH (manufacturing, engineering, and administrative support) as required by certain agreements entered into by the Company with ACH as a part of the ACH Transactions. Under the terms of these agreements, the Company is reimbursed for costs incurred in rendering services to ACH.

Net Sales, Gross Margin and Operating Assets:

A summary of net sales and other financial information by segment is provided below:

| | Net Sales | | Gross Margin | | Inventories, net | | Property and Equipment, net | |
|--------------------------|----------------|----------|----------------|--------|------------------|--------|-----------------------------|----------|
| | Three-Months | | Three-Months | | March 31 | | December 31 | |
| | Ended March 31 | | Ended March 31 | | 2006 | 2005 | 2006 | 2005 |
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| (Dollars in Millions) | | | | | | | | |
| Climate | \$ 783 | \$ 718 | \$ 54 | \$ 63 | \$ 151 | \$ 143 | \$ 890 | \$ 858 |
| Electronics | 795 | 881 | 97 | 105 | 112 | 114 | 695 | 702 |
| Interiors | 710 | 843 | 19 | 15 | 63 | 63 | 434 | 425 |
| Other | 664 | 737 | 50 | 19 | 218 | 217 | 385 | 382 |
| Eliminations | (136) | (384) | | | | | | |
| Total product | 2,816 | 2,795 | 220 | 202 | 544 | 537 | 2,404 | 2,367 |
| Services | 145 | | 1 | | | | | |
| Total segment | 2,961 | 2,795 | 221 | 202 | 544 | 537 | 2,404 | 2,367 |
| Reconciling Items | | | | | | | | |
| ACH | | 2,192 | | (55) | | | | |
| Corporate | | | 23 | | | | 590 | 606 |
| Total consolidated | \$ 2,961 | \$ 4,987 | \$ 244 | \$ 147 | \$ 544 | \$ 537 | \$ 2,994 | \$ 2,973 |

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

NOTE 16. Segment Information (Continued)

Reconciling Items

Significant adjustments necessary to reconcile segment net sales, gross margin, inventories, net and property and equipment, net to the Company's consolidated amounts are described as follows.

ACH Represents the financial results for the facilities that were transferred to ACH on October 1, 2005.

Corporate Includes the Company's technical centers, corporate headquarters and other administrative and support functions.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial data presented herein are unaudited, but in the opinion of management reflect those adjustments, including normal recurring adjustments, necessary for a fair statement of such information.

Executive Summary

Business Overview

Visteon Corporation is a leading global supplier of climate, interiors, electronics and other automotive systems, modules and components to vehicle manufacturers as well as the automotive aftermarket. The Company sells to all of the world's largest vehicle manufacturers including BMW, DaimlerChrysler, Ford, General Motors, Honda, Hyundai/Kia, Nissan, Peugeot, Renault, Toyota and Volkswagen.

The Company has a broad network of manufacturing, technical engineering and joint venture operations throughout the world, supported by 47,000 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.

Over the recent past, Visteon embarked upon a multi-phase, multi-year plan to focus its business, improve its operating position and competitive profile and to ultimately achieve sustainable profitability. A significant milestone in this long-term plan was the successful completion of the ACH Transactions with Ford on October 1, 2005. Although the ACH Transactions resulted in a significant reduction in the Company's total sales (the business constituted approximately \$6 billion in 2005 sales through the date of the transaction), this business was loss making and the Company's ability to improve profitability was significantly restricted given the inflexible operating arrangements. Further, pursuant to this transaction, the Company transferred all master Ford-UAW employees to ACH including full relief of approximately \$2.2 billion of related postretirement employee obligations and received cash funding for future restructuring actions with the establishment of a \$400 million escrow account funded by Ford under the terms of the Escrow Agreement. The Company's management believes that completion of the ACH Transactions provided the Company a solid operating foundation from which to move forward and improve.

In addition to the ACH Transactions, the Company has implemented initiatives intended to improve its cost competitiveness and focus management resources. In June 2005, the Company approved changes to its U.S. salaried postretirement health care and life insurance plans which will become fully effective in June 2007. These changes resulted in the reduction to the accumulated postretirement benefit obligation of approximately \$336 million and a per annum reduction of benefit expense of approximately \$60 million. In December 2005, the Company approved changes to its U.S. salaried pension and 401(k) plans which will become effective July 1, 2006, resulting in a per annum net reduction to expense of approximately \$40 million. During the fourth quarter of 2005, the Company executed a number of restructuring actions to reduce manpower census at certain manufacturing and other facilities, including the announced closure of three facilities in the U.S., Mexico and Puerto Rico. Restructuring costs of approximately \$24 million related to these actions were reimbursed from the escrow account at the end of 2005. Finally, in late 2005, the Company announced a new operating structure to manage the business forward and align resources on a global product group basis with the initiation of the Company's segments—Climate, Interiors, Electronics, Other and Services.

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Three-Months Ended March 31, 2006

In January 2006, the Company announced a three-year improvement program designed to further restructure the business and improve profitability. This improvement plan identified certain underperforming and non-strategic facilities that require significant restructuring or potential exit, as well as other infrastructure and cost reduction initiatives. This program is expected to have a cumulative cash cost of approximately \$550 million, of which \$400 million is expected to be reimbursed from the escrow account. The Company expects to record restructuring charges, and related reimbursement from the escrow account as available, as elements of the plan are finalized. The Company also replaced its \$300 million secured short-term revolving credit agreement that expired in December 2005, with a new 18-month secured term loan in the amount of \$350 million that closed in January 2006. This secured term loan was made part of the Company's existing five-year credit revolving credit agreement and expires in June 2007. The Company has recently initiated activities to refinance its 2007 scheduled debt maturities with an expected completion during 2006.

Financial highlights for the three-months ended March 31, 2006 include:

Net product sales were \$2.8 billion, of which non-Ford customers accounted for 52%

Gross margin of 8.2%, up from 2.9% in 2005

SG&A of \$168 million, lower than 2005 by \$82 million

Net income of \$3 million or \$0.02 per diluted shares, compared to a net loss of \$163 million or \$1.30 per diluted share in 2005

Cash of \$881 million, an increase of \$16 million compared to 2005 year-end

Cash used by operating activities of \$32 million, compared to cash provided by operating activities of \$178 million in 2005

Capital expenditures of \$85 million, lower than 2005 by \$42 million

The automotive industry remains challenging in North America and Europe, with continued market share pressures concentrated with U.S. vehicle manufacturers. While the ACH Transactions significantly reduced the Company's exposure to Ford's North America vehicle production, Ford remains an important customer, constituting 48% of the Company's first quarter 2006 net product sales. Continued declines in Ford's vehicle production could materially affect the Company's operating results and the Company continues to work with other vehicle manufacturers to further its sales growth and diversification. As an example of this effort, in the first quarter of 2006, Visteon was awarded a significant 2009 truck interior program by DaimlerChrysler. In order to succeed in winning and retaining business with its key customers as well as to leverage its customer position across the entire product portfolio, Visteon must continue to seamlessly execute new program launches, develop innovative and valued added products and solutions, and provide, in certain instances, co-located manufacturing and assembly capabilities.

Visteon's customers expect it to continue to reduce the costs of the products it provides, as well as provide an increasing level of engineering and related support of vehicle programs on a global basis. The Company must continue to work on reducing its overall costs by improving productivity and restructuring its operations and infrastructure to offset the impact of lower selling prices to its customers. A significant component of the Company's cost structure is comprised of the cost of raw materials used in the manufacture of its products. The continued inflationary pressures impacting certain commodities such as aluminum, resins and natural gas used in our manufacturing processes and facilities may adversely impact the Company's financial results. The Company continues to develop and implement strategies and actions with both its supplier and customer base to mitigate the impact of higher raw material costs.

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The Company continues to execute its long-term improvement program although no assurances can be provided that the results of these efforts will mitigate the negative industry trends currently being experienced.

Results of Operations*Organization and Operating Structure*

In late 2005 the Company announced a new operating structure to manage the business on a go-forward basis, post the ACH Transactions. During the first quarter of 2006 the Company completed the accompanying realignment of information systems and reporting structures to facilitate financial reporting under the revised organizational structure. Accordingly, segment disclosures have been updated to reflect the revised operating structure and comparable prior period segment data has been revised. The Company's revised operating structure is comprised of the following: Climate, Electronics, Interiors, Services and Other. The Company's segments are disclosed in Note 16 Segment Information to the consolidated financial statements.

Three-Months Ended March 31, 2006 and 2005

| | Sales | | | Gross Margin | | |
|---------------------------|-----------------------|----------|------------|--------------|--------|--------|
| | 2006 | 2005 | Change | 2006 | 2005 | Change |
| | (Dollars in Millions) | | | | | |
| Climate | \$ 783 | \$ 718 | \$ 65 | \$ 54 | \$ 63 | \$ (9) |
| Electronics | 795 | 881 | (86) | 97 | 105 | (8) |
| Interiors | 710 | 843 | (133) | 19 | 15 | 4 |
| Other | 664 | 737 | (73) | 50 | 19 | 31 |
| Eliminations | (136) | (384) | 248 | | | |
| Total product | 2,816 | 2,795 | 21 | 220 | 202 | 18 |
| Services | 145 | | 145 | 1 | | 1 |
| Total segment | 2,961 | 2,795 | 166 | 221 | 202 | 19 |
| Reconciling Items: | | | | | | |
| ACH | | 2,192 | (2,192) | | (55) | 55 |
| Corporate | | | | 23 | | 23 |
| Total consolidated | \$ 2,961 | \$ 4,987 | \$ (2,026) | \$ 244 | \$ 147 | \$ 97 |

Net Sales

The Company's net sales were \$3.0 billion in the first quarter of 2006, compared with \$5.0 billion in the first quarter of 2005, representing a decrease of \$2.0 billion or 41%. The ACH Transactions resulted in a decrease of \$2.2 billion, which was partially offset by Services revenues of \$145 million and an increase in remaining product sales of \$21 million. The increase in product sales reflects higher Ford Europe production volume and new business, partially offset by unfavorable Ford North America production volume and mix, unfavorable foreign currency of \$134 million, and customer price reductions.

Net sales for Climate were \$783 million in the first quarter of 2006, compared with \$718 million in the first quarter of 2005, representing an increase of \$65 million or 9%. Favorable production volume and mix of \$95 million was partially offset by unfavorable foreign currency and customer price reductions. Favorable production volume and mix was concentrated in the Asia Pacific region, reflecting continued growth in the Company's consolidated subsidiaries.

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Net sales for Electronics were \$795 million in the first quarter of 2006, compared with \$881 million in the first quarter of 2005, representing a decrease of \$86 million or 10%. Production volume and mix was unfavorable \$19 million. Lower Ford North America production volume and unfavorable product mix reduced net sales by \$43 million which was partially offset by increased net sales in Europe of \$28 million. Unfavorable foreign currency and customer price reductions comprise the remainder of the deterioration.

Net sales for Interiors were \$710 million in the first quarter of 2006, compared with \$843 million in the first quarter of 2005, representing a decrease of \$133 million or 16%. Production volume and mix was unfavorable \$75 million, with unfavorable foreign currency and customer price reductions comprising the remainder of the deterioration. The unfavorable production volume and mix was attributable to reflecting lower Ford North America production volume and adverse product mix.

Net sales for Other were \$664 million in the first quarter of 2006, compared with \$737 million in the first quarter of 2005, representing a decrease of \$73 million or 10%. Production volume and mix was unfavorable \$55 million and foreign currency and customer pricing was unfavorable \$18 million. The unfavorable production volume and mix was primarily attributable to lower Ford North America production volumes partially offset by higher Ford Europe production volume.

Services revenues were \$145 million in the first quarter of 2006, related to information technology, engineering, administrative and other business support services provided by the Company approximating cost, under the terms of various agreements to ACH in the fourth quarter of 2005.

Gross Margin

The Company's gross margin was \$147 million in the first quarter of 2005, compared with \$244 million in the first quarter of 2006, representing an increase of \$97 million or 66%. The increase in gross margin is primarily attributable to the benefit of the ACH Transactions of \$55 million, OPEB relief of \$23 million related to the transfer of certain Visteon salaried employees to Ford in January 2006 and improved operating performance.

Gross margin for Climate was \$54 million in the first quarter of 2006, compared with \$63 million in the first quarter of 2005, representing a decrease of \$9 million or 14%. Although net sales increased during the quarter, unfavorable customer and product mix resulted in a decrease in gross margin of \$4 million. Material and manufacturing cost reduction activities and lower OPEB expense were more than offset by customer price reductions and increases in raw material costs, principally aluminum, resulting in a further reduction in gross margin of \$5 million.

Gross margin for Electronics was \$97 million in the first quarter of 2006, compared with \$105 million in the first quarter of 2005, representing a decrease of \$8 million or 8%. Production volume and mix was unfavorable \$39 million. Material and manufacturing cost reduction activities and lower OPEB expense more than offset customer price reductions and increases in raw material costs resulting in an increase in gross margin of \$31 million.

Gross margin for Interiors was \$19 million in the first quarter of 2006, compared with \$15 million in the first quarter of 2005, representing an increase of \$4 million or 27%. Production volume and mix was unfavorable \$10 million. Material and manufacturing cost reduction activities and lower OPEB expense more than offset customer price reductions and increases in raw material costs resulting in an increase in gross margin of \$14 million.

Gross margin for Other was \$50 million in the first quarter of 2006, compared with \$19 million in the first quarter of 2005, representing an increase of \$31 million. Production volume and mix was favorable \$13 million. Material and manufacturing cost reduction activities, including negotiated wage concessions in Germany, and lower OPEB expense more than offset customer price reductions and increases in raw material costs resulting in an increase in gross margin of \$18 million.

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Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$168 million in the first quarter of 2006, compared with \$250 million in the first quarter of 2005, representing a decrease of \$82 million or 33%. Under the terms of various agreements between the Company and ACH, expenses previously classified as selling, general and administrative expenses incurred to support the business of ACH are now classified as costs of sales in the consolidated financial statements. The decrease in selling, general and administrative expenses reflects \$59 million of expenses incurred in support of ACH included in costs of sales in the first quarter of 2006. Lower OPEB expenses, net efficiencies, and reduced bad debt expense contributed to the remaining \$23 million of lower selling, general and administrative expenses.

Interest

Net interest expense was \$39 million in the first quarter of 2006, compared with \$29 million in the first quarter of 2005, representing an increase of \$10 million or 34%. The increase resulted from higher market interest rates on outstanding debt in 2006 compared to 2005.

Restructuring Activities

On January 11, 2006, the Company announced a three-year improvement plan that involves certain underperforming and non-strategic plants and businesses and is designed to improve operating performance and achieve cost reductions. Activities associated with this plan are expected to affect up to 23 facilities with costs expected to include employee severance and termination benefit costs, contract termination costs, and production transfer costs. During the first quarter of 2006 the Company recorded \$9 million of severance and other restructuring costs related to this three-year improvement plan. The most significant of these costs relates to the Company's Electronics segment, which recorded approximately \$6 million of severance costs related to activities at certain facilities located in Mexico and Portugal. These severance costs are associated with the termination of approximately 500 hourly and 50 salaried employees. Approximately \$5 million related to these activities is recorded in other current liabilities as of March 31, 2006.

The Company had previously recorded restructuring reserves related to the three-year improvement plan of \$14 million as of December 31, 2005. Such reserves were related to employee severance and termination benefit related costs associated with the termination of approximately 1,200 hourly and salary employees resulting from activities at certain facilities located in the U.S., Europe, Mexico and Puerto Rico. Approximately \$6 million related to these activities is recorded in other current liabilities as of March 31, 2006.

The Company estimates that the total cash cost associated with this three-year improvement plan will be approximately \$550 million, offset by \$400 million of escrow account reimbursement. Generally, charges will be recorded as elements of the plan are finalized and the timing of activities and the amount of such costs are not likely to change. The cumulative costs incurred to date related to the three-year improvement plan are approximately \$46 million, including \$11 million related to Electronics, \$2 million related to Climate and \$33 million related to Other.

Table of Contents*Income Taxes*

The provision for income taxes was \$30 million for the first quarter of 2006, compared with \$22 million in the same period in 2005. Income taxes during the first quarter of 2006 and 2005 included the impact of maintaining a valuation allowance against the Company's deferred tax assets in the U.S. and certain foreign countries. As a result, income taxes attributable to pre-tax losses incurred in the affected jurisdictions were not provided. The provisions for both the first quarter of 2006 and 2005 reflect primarily income tax expense related to those countries where Visteon is profitable and whose results continue to be tax-effected, accrued withholding taxes, and certain non-recurring and other discrete tax items. Non-recurring and other discrete items recorded in the first quarter of 2006 resulted in additional tax expense of \$3 million related primarily to unfavorable currency exchange rate movements in the quarter. Included in the provision for income taxes for the first quarter of 2005 was a benefit of \$8 million, consisting primarily of benefits related to a change in the estimated benefit associated with tax losses in Canada and the favorable resolution of tax matters in Mexico, offset by net provisions recorded to increase the Company's income tax reserves for prior year tax exposures.

During the remaining quarters of 2006, the Company may undertake legal restructuring actions in Europe and Asia which would include an overall review of business plans in certain jurisdictions. Such review would include whether or not a portion of the past, current or future earnings of certain affiliates are permanently reinvested under Accounting Principles Board Opinion No. 23 Accounting for Income Taxes Special Areas. The Company's policy has been to provide deferred taxes for the net effect of repatriating earnings from consolidated foreign subsidiaries. If a determination is made to treat any such earnings as permanently reinvested, the Company would reduce the previously established accruals for withholding taxes and the deferred tax liability on the affected earnings, which could result in a one-time and/or ongoing reduction to income tax expense.

Liquidity and Capital Resources*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. Further, as the Company's operating profitability has become more concentrated with its foreign subsidiaries and joint ventures, the majority of the Company's cash balances located outside the U.S. continue to increase. As of March 31, 2006 approximately 70% of the Company's cash balance is located in jurisdictions outside of the U.S. as compared to approximately 60% at December 31, 2005. The Company's ability to efficiently access cash balances in certain foreign jurisdictions is subject to local regulatory and statutory requirements.

Credit Ratings

Moody's current corporate rating of the company is B2 and SGL rating is 3. The rating on senior unsecured debt is B3. The latest rating action by the agency moved the outlook to negative on January 18, 2006. S&P's current corporate rating of the company is B+ and the Company's short term liquidity is B-2. The agency currently has a negative outlook on the rating. Fitch's current rating on the Company's senior secured debt is B with a negative outlook. The latest rating action by the agency downgraded the senior secured debt from BB to B and the senior unsecured debt from B to CCC-, while maintaining a negative outlook.

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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.

Debt

The Company had \$1,849 million of outstanding long-term debt at March 31, 2006. This debt includes \$699 million of notes bearing interest at 8.25% due August 1, 2010, \$435 million of notes bearing interest at 7.00% due March 10, 2014, \$241 million of the five-year term loan related to the Company's facilities consolidation in Southeastern Michigan due June 25, 2007, \$350 million of the 18-month term loan bearing interest at LIBOR + 4.5% due June 20, 2007, and \$124 million of various other, primarily non-U.S. affiliate long-term debt instruments with various maturities.

As of March 31, 2006, the Company had \$571 million of available borrowings under the \$1,122 million five-year revolving credit facility (which includes the 18-Month Term Loan) after a reduction for \$101 million of obligations under letters of credit and \$450 million drawn. In addition, as of March 31, 2006, the Company had approximately \$427 million of available borrowings under other committed and uncommitted facilities. Borrowings under certain credit agreements are secured by a first-priority lien on substantially all tangible and intangible assets of the Company and most of its domestic subsidiaries, as well as 65% of the stock of many first tier foreign subsidiaries.

The Company has recently initiated activities to refinance its 2007 scheduled debt maturities with an expected completion during 2006.

Covenants and Restrictions

The Company is subject to various covenants and restrictions on its borrowings. The Company's primary credit agreements currently contain certain affirmative and negative covenants including a covenant not to exceed a certain leverage ratio of consolidated total debt to consolidated EBITDA (as defined in the Credit Agreements) of 4.75 for the quarters ending December 31, 2005 and March 31, 2006; 5.25 for the quarter ending June 30, 2006; 4.25 for the quarter ending September 30, 2006; 3.00 for the quarter ending December 31, 2006; 2.75 for the quarter ending March 31, 2007; and 2.50 thereafter. In addition, the credit agreements limit the amount of capital expenditures and cash payments for dividends that the Company may make. The ability of the Company's subsidiaries to transfer assets is subject to various restrictions, including regulatory requirements and governmental restraints.

At March 31, 2006, 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 financial 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.

Cash Flows*Operating Activities*

Cash used by operating activities during the first quarter of 2006 totaled \$32 million, compared with cash provided by operating activities of \$178 million for the same period in 2005. The decrease is largely attributable to decreased utilization of receivables-based financing facilities of \$132 million and non-recurrence of the \$120 million acceleration of receivable payments under the March 2005 funding agreement with Ford, partially offset by improved working capital.

Table of Contents*Investing Activities*

Cash used in investing activities was \$78 million during the first quarter of 2006, compared with \$117 million for the first quarter of 2005. Visteon's capital expenditures excluding capital leases in the first quarter of 2006 totaled \$85 million, compared with \$127 million for the same period in 2005, reflecting the non-recurrence of 2005 ACH capital spending and the Company's continued focus on capital spending management. During the first quarter of 2006, proceeds from asset disposals were \$7 million.

Financing Activities

Cash provided by financing activities totaled \$115 million in the first quarter of 2006, compared with \$3 million for the same period in 2005. The cash proceeds in 2006 reflect primarily the draw on the Company's \$350 million new secured 18-month term loan, partially offset by repayment of \$247 million on the Company's five-year revolving credit facility. The cash proceeds in 2005 reflect primarily a draw of \$80 million under the Company's former 364-day revolving credit facility, partially offset by a reduction in the General Electric Capital Corporation trade payables program and reductions in other consolidated subsidiary debt. The Company's primary credit agreements limit the amount of cash payments for dividends the Company may make.

New Accounting Standards

In March 2006, the FASB issued Statement of Financial Accounting Standards No. 156 (SFAS 156), Accounting for Servicing of Financial Assets. This statement amends Statement of Financial Accounting Standards No. 140,

Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 requires an entity to recognize a servicing asset or liability each time it undertakes an obligation to service a financial asset by entering into a transfer of financial assets that meet the requirement for sale accounting. In addition, all of these separately recognized servicing assets or liabilities are required to be initially measured at fair value, with two permitted methods available for subsequent measurement: the amortization method or the fair value measurement. SFAS 156 is effective for the Company on January 1, 2007 and the Company is currently evaluating the impact of the requirements of this statement on its consolidated financial statements.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (Revised 2004) (SFAS 123(R)), Share-Based Payments. This statement requires that all share-based payments to employees be recognized in the financial statements based on their fair value. SFAS 123(R) was adopted by the Company effective January 1, 2006 using the modified-prospective method. In accordance with the modified-prospective transition method, the Company's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R). Under the modified-prospective method, compensation cost includes:

Share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the fair value estimated in accordance with the original provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS 123).

Share-based payments granted subsequent to January 1, 2006, based on the fair value estimated in accordance with the provisions of SFAS 123(R).

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The cumulative effect, net of tax, of adoption of SFAS 123(R) was \$4 million or \$0.03 per share as of January 1, 2006. The Company recorded \$6 million or \$0.05 per share of incremental compensation expense during the three-months ended March 31, 2006, under SFAS 123(R) when compared to the amount that would have been recorded under SFAS 123. Additional disclosures required by SFAS 123(R) regarding the Company's stock-based compensation plans and related accounting are provided in Note 3 "Stock-Based Compensation" to the consolidated financial statements.

Prior to the adoption of SFAS 123(R), the Company had valued its stock appreciation rights based upon the intrinsic value of the Company's common stock at the end of each reporting period. With the adoption of SFAS 123(R), stock appreciation rights are valued at fair market value through the use of a Black Scholes option pricing model. As of March 31, 2006, unrecognized compensation cost related to non-vested options, stock appreciation rights, restricted stock awards and restricted stock units was \$5 million, \$7 million, \$1 million, and \$19 million, respectively, and is expected to be recognized over a weighted average period of 1.75 years, 1.79 years, 2.73 years, and 2.03 years, respectively. Additional disclosures as required by SFAS 123(R) are included in Note 3 "Stock-Based Compensation" to the consolidated financial statements.

Prior to the adoption of SFAS 123(R) and effective January 1, 2003 the Company began expensing the fair value of stock-based awards granted to employees pursuant to SFAS 123. This standard was adopted on the prospective method basis for stock-based awards granted, modified or settled after December 31, 2002. For stock options and restricted stock awards granted prior to January 1, 2003, the Company measured compensation cost using the intrinsic value method of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" as permitted by SFAS 123. If compensation cost for all stock-based awards had been determined based on the estimated fair value of stock options and the fair value at the date of grant for restricted stock awards, in accordance with the provisions of SFAS 123, the Company's reported net loss and net loss per share would have changed to the pro forma amounts indicated below:

| | Three-Months Ended March 31, 2005 | |
|---|--|--------|
| | (Dollars in Millions, Except Per Share Amounts) | |
| Net loss, as reported | \$ | (163) |
| Add: Stock-based employee compensation expense included in reported net loss, net of related tax effects | | 2 |
| Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects | | (3) |
| Pro forma net loss | \$ | (164) |
| Net loss per share: | | |
| As reported: | | |
| Basic and diluted | \$ | (1.30) |
| Pro forma: | | |
| Basic and diluted | \$ | (1.31) |

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In November 2004, the FASB issued Statement of Financial Accounting Standards No. 151 (SFAS 151), Inventory Costs an amendment of ARB No. 43, Chapter 4. This statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). This Statement requires that those items be recognized as current period charges regardless of whether they meet the criterion of so abnormal. In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 was adopted by the Company with effect from January 1, 2006 and did not have a material effect on results of operations, financial position or cash flows.

Cautionary Statements Regarding Forward-Looking Information

Certain statements contained or incorporated in this Interim 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 connection with discussions of future operating or financial performance signify forward-looking statements. These statements reflect our 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 2005 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); Visteon s ability to comply with financial covenants applicable to it; and the continuation of acceptable supplier payment terms.

Visteon s ability to satisfy its pension and other post-employment 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 our 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.

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Increases in 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.

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, 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 ACH 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 material weaknesses and other control deficiencies in its internal control over financial reporting.

Other factors, risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

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Other Financial Information

PricewaterhouseCoopers LLP, an independent registered public accounting firm, performed a limited review of the financial data presented on page 3 through 27 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.

Table of Contents**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company is exposed to market risks from changes in currency exchange rates, interest rates and certain commodity prices. To manage these risks, the Company uses a combination of fixed price contracts with suppliers, cost sourcing arrangements with customers and financial derivatives. The Company maintains risk management controls to monitor the risks and the related hedging. Derivative positions are examined using analytical techniques such as market value and sensitivity analysis. Derivative instruments are not used for speculative purposes, as per clearly defined risk management policies.

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's on-going solution is to reduce the exposure through operating actions.

The Company's primary foreign exchange operating exposures include the euro, Korean won, Czech koruna and Mexican peso. Because of the mix between the Company's costs and revenues in various regions, operating results are exposed generally to weakening of the euro and to strengthening of the Korean won, Czech koruna and Mexican peso. For transactions in these currencies, the Company utilizes a strategy of partial coverage. As of March 31, 2006, the Company's coverage for projected transactions in these currencies was approximately 40% for 2006.

As of March 31, 2006 and December 31, 2005, the net fair value of foreign currency forward and option contracts was an asset of \$3 million and \$9 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 \$28 million and \$62 million as of March 31, 2006 and December 31, 2005, 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 uses interest rate swaps to manage interest rate risk. These swaps effectively convert a portion of the Company's fixed rate debt into variable rate debt. Including the effect of \$350 million of interest rate swaps, approximately 43% and 45% of the Company's borrowings were effectively on a fixed rate basis as of March 31, 2006 and December 31, 2005, respectively.

As of March 31, 2006 and December 31, 2005, the net fair value of interest rate swaps was a liability of \$24 million and \$15 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 \$8 million and \$10 million as of March 31, 2006 and December 31, 2005, respectively. 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 \$6 million as of March 31, 2006 and December 31, 2005. This analysis may overstate the adverse impact on net interest expense because of the short-term nature of the Company's interest bearing investments.

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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. The Company's exposures to price changes in such commodities are attempted to be addressed through negotiations with the Company's suppliers and customers, although there can be no assurance that the Company will not have to absorb 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.

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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 March 31, 2006. Based upon that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were not effective because of the existence of a material weakness in the Company's internal control over financial reporting as discussed below. Notwithstanding the material weakness, management has concluded that the consolidated financial statements included in this Quarterly Report on Form 10-Q fairly state, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented in conformity accounting principles generally accepted in the United States of America.

In the Company's 2005 Annual Report on Form 10-K, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2005 because of the existence of a material weakness in the Company's internal control over financial reporting relating to ineffective controls over the complete and accurate recording of freight, raw material and other supplier costs and related period-end accruals and payables originating in its North American purchasing function. This material weakness continued to exist as of March 31, 2006.

Remediation Efforts to Address Material Weakness in Internal Control over Financial Reporting

During the third and fourth quarters of 2005, the Company implemented additional controls to identify potential liabilities related to activities with its North American suppliers, and to ensure that costs are recorded in the correct period and that related period-end accruals and payables are complete and accurate. These controls included the implementation of policies and procedures to identify, assess and account for supplier activities and contracts and to estimate and record costs as incurred. Further, additional procedures have been implemented to ensure that period-end accruals and payables are complete and accurate. The Company continues to monitor and test the operating effectiveness of these controls.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2006 that have materially effected, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

Table of Contents**PART II
OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

See the information above under Note 15. Commitments and Contingencies, to the consolidated financial statements which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

For 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 year ended December 31, 2005. See also, Cautionary Statements Regarding Forward-Looking Information included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes information relating to purchases made by or on behalf of the Company, or an affiliated purchaser, of shares of Visteon common stock during the first quarter of 2006.

Issuer Purchases of Equity Securities

| Period | Total Number of Shares (or Units) Purchased (1) | Average Price Paid per Share (or Unit) | Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |
|---------------------------------------|--|---|--|--|
| January 1, 2006 to January 31, 2006 | 215 | \$ 5.26 | | |
| February 1, 2006 to February 28, 2006 | 723,427 | \$ 4.99 | | |
| March 1, 2006 to March 31, 2006 | | | | |
| Total | 723,642 | \$ 4.99 | | |

(1) This column includes only shares surrendered to the Company by employees to satisfy tax withholding obligations in connection with the vesting of restricted share awards made pursuant to the Visteon Corporation 2004 Incentive Plan.

ITEM 6. EXHIBITS

(a) Exhibits

Please refer to the Exhibit Index on Page 45.

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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/William G. Quigley III

William G. Quigley III
Vice President, Corporate Controller and
Chief Accounting Officer

Date: May 10, 2006

Table of Contents**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 Quarterly Report on Form 10-Q of Visteon dated July 24, 2000. |
| 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 Quarterly Report on Form 10-Q of Visteon dated November 14, 2001. |
| 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 | Form of Warrant Certificate of Visteon is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated September 16, 2005. |
| 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. |
| 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 | Reserved. |
| 10.3 | Reserved. |
| 10.4 | 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). |
| 10.5 | Reserved. |
| 10.6 | Reserved. |
| 10.7 | 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. |
| 10.7.1 | 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. |
| 10.8 | 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). |
| 10.9 | Visteon Corporation 2004 Incentive Plan, as amended and restated, is incorporated herein by reference to Appendix B to the Proxy Statement of Visteon dated March 30, 2004.* |

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| Exhibit Number | Exhibit Name |
|---------------------------|---|
| 10.9.1 | Form of Terms and Conditions of Nonqualified Stock Options is incorporated herein by reference to Exhibit 10.9.1 to the Quarterly Report on Form 10-Q of Visteon dated November 4, 2004.* |
| 10.9.2 | Form of Terms and Conditions of Restricted Stock Grants is incorporated herein by reference to Exhibit 10.9.2 to the Quarterly Report on Form 10-Q of Visteon dated November 4, 2004.* |
| 10.9.3 | Form of Terms and Conditions of Restricted Stock Units is incorporated herein by reference to Exhibit 10.9.3 to the Quarterly Report on Form 10-Q of Visteon dated November 4, 2004.* |
| 10.9.4 | Form of Terms and Conditions of Stock Appreciation Rights is incorporated herein by reference to Exhibit 10.9.4 to the Quarterly Report on Form 10-Q of Visteon dated November 4, 2004.* |
| 10.10 | Form of Revised Change in Control Agreement is incorporated herein by reference to Exhibit 10.10 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2000.* |
| 10.10.1 | Schedule identifying substantially identical agreements to Revised Change in Control Agreement constituting Exhibit 10.10 hereto entered into by Visteon with Messrs. Johnston, Stebbins, Palmer, Pfannschmidt, Donofrio and Quigley is incorporated herein by reference to Exhibit 10.10.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.* |
| 10.11 | Issuing and Paying Agency Agreement dated as of June 5, 2000 between Visteon and The Chase Manhattan Bank is incorporated herein by reference to Exhibit 10.11 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000. |
| 10.12 | Corporate Commercial Paper Master Note dated June 1, 2000 is incorporated herein by reference to Exhibit 10.12 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000. |
| 10.13 | Letter Loan Agreement dated as of June 12, 2000 from The Chase Manhattan Bank is incorporated herein by reference to Exhibit 10.13 to the Quarterly Report on Form 10-Q of Visteon dated July 24, 2000. |
| 10.14 | Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended, is incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2003.* |
| 10.14.1 | Amendments to the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, effective as of December 14, 2005 is incorporated herein by reference to Exhibit 10.14.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.* |
| 10.15 | 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.* |
| 10.15.1 | 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.* |
| 10.16 | Visteon Corporation Deferred Compensation Plan, as amended, is incorporated herein by reference to Exhibit 10.16 to the Annual Report on Form 10-K of Visteon for the period |

- ended December 31, 2002.*
- 10.16.1 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.*

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| Exhibit Number | Exhibit Name |
|---------------------------|---|
| 10.17 | 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.* |
| 10.18 | 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.* |
| 10.18.1 | 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.* |
| 10.19 | 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.* |
| 10.19.1 | 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.* |
| 10.20 | Executive Employment Agreement dated as of September 15, 2000 between Visteon and Michael F. Johnston is incorporated herein by reference to Exhibit 10.20 to the Annual Report on Form 10-K for the period ended December 31, 2001.* |
| 10.21 | Service Agreement dated as of November 1, 2001 between Visteon International Business Development, Inc., a wholly-owned subsidiary of Visteon, and Dr. Heinz Pfannschmidt is incorporated herein by reference to Exhibit 10.21 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2002.* |
| 10.22 | 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.* |
| 10.22.1 | 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.* |
| 10.23 | 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 executive officers under the plans constituting Exhibits 10.14, 10.16, 10.16.1, 10.17, 10.18, 10.19 and 10.22 hereto 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, 2002.* |
| 10.24 | Second Amended and Restated Credit Agreement, dated as of January 9, 2006, among Visteon, the several banks and other financial institutions or entities from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citicorp USA, Inc., as syndication agent, is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated January 13, 2006. |
| 10.25 | Credit Agreement, dated as of June 24, 2005, among Visteon, the several banks and other financial institutions or entities from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Citicorp USA, Inc., as syndication agent, and Credit Suisse, Cayman Islands Branch, Deutsche Bank Securities Inc. and Sumitomo Mitsui Banking Corporation, as documentation agents, is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated June 30, 2005. |

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| Exhibit Number | Exhibit Name |
|---------------------------|--|
| 10.26 | Amended and Restated Five-Year Term Loan Credit Agreement, dated as of June 24, 2005, among Visteon, Oasis Holdings Statutory Trust, the several banks and other financial institutions or entities from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citicorp USA, Inc., as syndication agent, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated June 30, 2005. |
| 10.26.1 | First Amendment, dated as of January 9, 2006, to the Amended and Restated Five-Year Term Loan Credit Agreement, dated as of June 24, 2005, among Visteon, Oasis Holdings Statutory Trust, the several banks and other financial institutions or entities from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citicorp USA, Inc., as syndication agent, is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated January 13, 2006. |
| 10.27 | Pension Plan Agreement effective as of November 1, 2001 between Visteon Holdings GmbH, a wholly-owned subsidiary of Visteon, and Dr. Heinz Pfannschmidt is incorporated herein by reference to Exhibit 10.27 to the Quarterly Report on Form 10-Q of Visteon dated May 7, 2003.* |
| 10.28 | 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. |
| 10.29 | 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.* |
| 10.30 | Visteon Corporation Non-Employee Director Stock Unit Plan is incorporated herein by reference to Appendix C to the Proxy Statement of Visteon dated March 30, 2004.* |
| 10.30.1 | Amendments to the Visteon Corporation Non-Employee Director Stock Unit Plan, effective as of December 14, 2005 and February 9, 2006 is incorporated herein by reference to Exhibit 10.30.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.* |
| 10.31 | Employment Agreement dated as of June 2, 2004 between Visteon and James F. Palmer is incorporated herein by reference to Exhibit 10.31 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2004.* |
| 10.32 | 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.* |
| 10.33 | 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.* |
| 10.33.1 | Schedule identifying substantially identical agreements to Executive Retiree Health Care Agreement constituting Exhibit 10.33 hereto entered into by Visteon with Messrs. Johnston, Stebbins and Palmer is incorporated herein by reference to Exhibit 10.33.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.* |
| 10.34 | Funding Agreement, dated as of March 10, 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 March 10, 2005. |
| 10.34.1 | Amendment, effective as of May 24, 2005, to the Funding Agreement, dated as of March 10, 2005, between Visteon and Ford is incorporated herein by reference to |

- 10.35 Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated May 25, 2005.
Master Equipment Bailment Agreement, dated as of March 10, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated March 10, 2005.

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| Exhibit Number | Exhibit Name |
|---------------------------|---|
| 10.35.1 | Amendment, effective as of May 1, 2005, to the Master Equipment Bailment Agreement, dated as of March 10, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated May 25, 2005. |
| 10.36 | Resignation Agreement, dated as of March 10, 2005, between Visteon and Stacy L. Fox is incorporated herein by reference to Exhibit 10.36 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2004.* |
| 10.37 | Consulting Agreement, dated as of March 10, 2005, between Visteon and Stacy L. Fox is incorporated herein by reference to Exhibit 10.37 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2004.* |
| 10.38 | 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. |
| 10.39 | 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. |
| 10.40 | 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. |
| 10.41 | 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. |
| 10.42 | Reimbursement Agreement, dated as of October 1, 2005, 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. |
| 10.43 | Master Services Agreement, dated as of September 30, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated October 6, 2005. |
| 10.44 | 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. |
| 10.45 | 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. |
| 10.46 | 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. |
| 10.46.1 | 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. |
| 10.47 | 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. |
| 10.48 | 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. |

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| Exhibit Number | Exhibit Name |
|---------------------------|--|
| 10.49 | 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. |
| 10.50 | 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. |
| 10.51 | 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. |
| 10.52 | 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. |
| 10.53 | 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. |
| 10.54 | 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. |
| 10.55 | Form of Secured Promissory Note of Visteon, as issued on September 19, 2005, is incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Visteon dated September 16, 2005. |
| 10.56 | 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. |
| 12.1 | Statement re: Computation of Ratios. |
| 14.1 | Visteon Corporation Ethics and Integrity Policy, as amended effective September 23, 2005 (code of business conduct and ethics) is incorporated herein by reference to Exhibit 14.1 to the Current Report on Form 8-K of Visteon dated September 28, 2005. |
| 15.1 | Letter of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, dated May 9, 2006 relating to Financial Information. |
| 31.1 | Rule 13a-14(a) Certification of Chief Executive Officer dated May 10, 2006. |
| 31.2 | Rule 13a-14(a) Certification of Chief Financial Officer dated May 10, 2006. |
| 32.1 | Section 1350 Certification of Chief Executive Officer dated May 10, 2006. |
| 32.2 | Section 1350 Certification of Chief Financial Officer dated May 10, 2006. |

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.