

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol.

Visteon Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Your first question comes from the line of Chris Ceraso of Credit Suisse.

Don Stebbins

Hello, Chris.

Christopher Ceraso – Credit Suisse

Well, thanks. Good morning. Just a couple of things. First, the U.K. actions, this was a business that you mentioned was losing \$100 million on \$500 million of sales. Are you at the full run rate benefit yet from those closures or when will you get there?

Bill Quigley

Yes, Chris, this is Bill Quigley. We've got a couple of things, one is obviously the Swansea transaction was completed early July, so if you think about it we still had the first half although we were under an agreement with our customers on reimbursement for training losses. So, Swansea effectively had a full run rate. If you think about the other agreements that we have in place, they were sporadic throughout the course of first half. We now have them locked in. I think we comments on the last call that our second quarter will probably be the first full run rate – or I am sorry, our third quarter is about \$12 million per quarter.

And Halewood, again it was a nominal business from a manufacturing profit perspective. So, again it shouldn't really be on a year-over-year basis a big driver.

Christopher Ceraso – Credit Suisse

So, short answer, by Q3, yes, you were basically–

Bill Quigley

Q3, we should be in.

Christopher Ceraso – Credit Suisse

Yes, okay. China, if China slows down, let's say GDP in China gets cut in half and we run at 4% or 5% instead of 9% or 10%, can you talk about the impact on the Yanfeng business versus where it's running right now and would it require any restructuring actions on your part?

Don Stebbins

Yes, I think in terms of the impact of that, we are starting to see a slowdown in China and probably for the first time we are seeing a situation where we have manufacturing employees being let go in that region. So we are – in terms of massive restructuring or larger restructuring, no we don't see that happening, but certainly there is headcount that probably will come out in part not only due to the macro environment, but we are also driving a lot of change through those facilities and gaining significant efficiencies. So, no, in terms of an infusion of capital, I don't see that as a need.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.