

# DELPHI

October 8, 2005

Dear Delphi Customer:

Providing OE quality vehicle electronics and replacement parts for the right fit, form and function -- the first time, every time, is the Delphi mission. Delphi is committed to growing its aftermarket and consumer electronics operations.

Because you are a valued customer of Delphi, we felt it was vital for you to hear from us directly about an important action our company has taken to preserve the value of the company, and complete its transformation plan designed to resolve Delphi's existing legacy issues and the resulting high cost structure of its U.S. operations. Today Delphi Corporation and certain of its domestic U.S. subsidiaries filed voluntary petitions for business reorganization under chapter 11 of the U.S. Bankruptcy Code to accomplish the goal of reducing these costs as soon as possible.

Delphi is a diverse technology company. In addition to technology that is present in 75 million vehicles on the road worldwide, Delphi's portfolio includes technology that is present in communication, computer, consumer electronic and energy applications.

As part of our transformation plan, we will need to realign our global product portfolio and manufacturing footprint to preserve our core businesses. This will require a substantial segment of our U.S. manufacturing operations to be divested, consolidated or wound-down through the chapter 11 process. I realize these changes will create uncertainty; however, we will do our best to keep you informed through out the process. This does not change our commitment to supplying superior component to the aftermarket.

We want to make sure that you understand that:

- 1) Delphi is not going out of business. We took this action to address the legacy issues faced by our U.S. operations.
- 2) Our chapter 11 business reorganization is well financed, well planned and well organized.
- 3) We believe this action will enable Delphi to become a more competitive company in our industries and a stronger, more viable business partner for you.
- 4) We plan to meet your quality, scheduling, delivery, and service needs just as we always have.

It is important that you understand that our global operations in the U.S. as well as in Asia Pacific, Canada, Europe, South America and Mexico will continue without interruption. One of our primary goals is to continue the strategic growth of our adjacent markets, including aftermarket, and consumer electronics, while we address our U.S. cost structure issues through the chapter 11 process.



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We remain committed to providing our aftermarket and consumer electronics customers with high-caliber OE automotive components and leading-edge consumer electronics for many years to come. Our customers should expect to receive the same superior engineering for which Delphi is known. We remain committed to developing technology and new products and providing our customers worldwide with our unparalleled customer support.

I want to assure you that we have adequate cash to continue paying for goods and services we need to operate and serve our customers. We plan to finance our global operations by utilizing our access to a total of \$4.5 billion in credit facilities, including a new \$2 billion debtor-in-possession (DIP) financing facility being provided by a group of lenders led by JPMorgan Chase Bank and Citigroup Global Markets, Inc., and \$2.5 billion borrowed from pre-existing revolving and term loan credit facilities. The proceeds from the DIP financing together with cash generated from daily operations and cash on hand will be used to fund post-petition operating expenses, including supplier obligations and employee wages, salaries and benefits.

The overall liquidity includes more than \$1 billion on hand outside the U.S. which Delphi does not plan to repatriate to fund U.S. operations. These funds will support its global operations outside the U.S. and help ensure the continued adequacy of working capital throughout its global business units.

Moreover, we believe our financing and liquidity will serve to further demonstrate to our valued customers that Delphi is positioned to continue to invest in engineering and capital expenditures with our customers' future product programs.

We value our relationship with you and I personally want to thank you for your support during our restructuring. We will do our best to keep you fully informed of developments relating to our progress. Attached is a copy of the press release we issued announcing the chapter 11 filing.

If you have any questions or concerns, you may contact your primary Delphi representative. We have also established a special restructuring information line at 866-688-8740. For access to certain Court documents and other information about our chapter 11 case, please visit [www.delphidocket.com](http://www.delphidocket.com). For general information on our restructuring you may also visit [www.delphi.com](http://www.delphi.com).

Thank you for your continued support.

Sincerely,



Frank Ordoñez  
President of Delphi Products & Solutions