

DELPHI

October 8, 2005

Dear Delphi Medical Systems Customer:

We felt it was vital for you to hear from us directly about an important action we have taken to preserve the value of the company and complete our 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, including Delphi Medical Systems, 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, our parent company, is a diverse technology company. In addition to medical systems, Delphi's portfolio includes technology that is present in 75 million vehicles on the road worldwide as well as in communication, computer, consumer electronic and energy applications. While Delphi Medical Systems may not carry the responsibility of legacy issues directly, as a part of a global company we share in the burden.

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.

We want to make sure you understand that:

- 1) Delphi is not going out of business. Delphi took this action to address the legacy issues faced by its U.S. operations.
- 2) Our chapter 11 business reorganization is well financed, well planned and well organized.
- 3) Delphi is determined to achieve competitiveness of its U.S. operations, and the key to accomplishing that goal is reducing these costs as soon as possible.
- 4) This is a U.S. cost structure problem that Delphi is taking action to address – it does not involve our non-U.S. subsidiaries. Delphi's non-U.S. subsidiaries in Asia Pacific, Canada, Europe, South America and Mexico are not included in the filing and are not subject to the requirements of chapter 11.
- 5) Delphi believes this action will enable it to become a more competitive company and a stronger, more viable business partner for you.
- 6) Delphi has been engaged in constructive discussions with representatives of its major unions, but was unable to complete the necessary modifications to its collective bargaining agreements without assistance from General Motors Corporation or the involvement of the U.S. courts. We will be making a further



proposal this month to each of our unions to transform our labor agreements to a competitive labor cost structure and to address non-profitable and non-strategic U.S. operations.

It is important that you understand that Delphi's global operations in the U.S. as well as in Asia Pacific, Canada, Europe, South America and Mexico will continue without interruption. Customers globally can be assured that Delphi plans to meet their quality, scheduling, delivery and production needs in a timely manner. Delphi Medical Systems' operations in Colorado and Texas will continue to meet your current needs and develop new products. 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 globally 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 patience 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 Delphi issued announcing the chapter 11 filing.

If you have any questions or concerns, you may contact your primary Delphi Medical Systems representative. Delphi has 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. For general information on our restructuring you may also visit www.delphi.com.

Thank you for your continued support.

Sincerely,



Christophe Sevrain
Managing Director, Delphi Medical Systems