

DELPHI

October 8, 2005

Dear Delphi Supplier:

All of our suppliers play a significant role in our ability to continue to serve the needs of our customers. Because our relationship is so important, I wanted to let you know directly about an action our ultimate parent company in the U.S. 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 of its U.S. operations.

Today Delphi and certain of its domestic U.S. subsidiaries filed voluntary petitions for business reorganization under chapter 11 of the domestic U.S. Bankruptcy Code.

As our 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.

There are several important facts you should know:

- 1) First and foremost, you should know that ***none of Delphi's non-U.S. subsidiaries were included in the filing and their operations are not subject to the requirements of chapter 11.*** We do not expect there to be any impact on our business relationship or our ability to continue to pay for goods and services. We will continue to purchase and pay for goods and services in the normal course of business. Similarly, we will continue to provide the products and services to meet the needs of our customers.
- 2) Delphi has no plans to commence any insolvency proceedings in Asia Pacific, Canada, Europe, South America or Mexico that would result in the liquidation of any of our businesses. Our operations here are generally competitive, cash flow positive and experiencing high growth opportunities. Should you or anyone in your organization have the slightest concern, I am prepared to meet with you to discuss the situation.
- 3) ***Delphi's U.S. operations are not going out of business.*** Chapter 11 in the United States is different from other insolvency laws around the world and in most cases does not involve the liquidation or dissolution of the company. The chapter 11 process will permit Delphi to continue to operate its business and serve its customers worldwide without interruption while Delphi's management team develops a plan of reorganization that will address our U.S. cost structure issues. Our chapter 11 business reorganization is well financed, well planned and well organized.
- 4) Our U.S. operations filed for chapter 11 in the United States to address the legacy issues faced by our U.S. operations. These costs were inherited when Delphi was spun off from General Motors Corporation in 1999. The situation that has given rise to the U.S. chapter 11 filing involves the U.S. legacy issues and the resulting high-cost structure. Europe, Asia Pacific, South America and Mexico are not experiencing these challenges.



However, if you also supply goods or services to operations in the U.S., Delphi is prohibited from paying any amounts owed to suppliers for goods and services provided prior to the October 8, 2005 filing date. Claims relating to those amounts will be addressed under a Plan of Reorganization that is approved by the Court. Suppliers to U.S. operations will be paid for all post-petition goods and services provided to Delphi. This is required under the Bankruptcy Code and Delphi has sufficient liquidity to meet its ongoing obligations to suppliers.

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. Therefore, Delphi's customers worldwide will experience no disruption in service and they will not see a change in the quality of our products.

Operations outside of the U.S. are extremely important to Delphi, and we intend to continue to meet the needs of our suppliers, customers and employees everywhere. One of our primary goals is to preserve and continue the strategic growth in operations outside the U.S. while we address our U.S. cost structure issues through the chapter 11 process. You have our assurance that we are going to do everything possible to see that our worldwide businesses remain healthy and profitable.

If you have any questions or concerns, you may contact your primary Delphi buyer. We have also established a special supplier information line at our world headquarters in Troy at 01-248-813-2601. For access to certain Court documents and other information about our chapter 11 case, please visit www.delphidocket.com. For general information on our reorganization you may also visit www.delphi.com.

Attached is the news release that we issued. On behalf of our entire management team, I would like to thank you in advance for your continued support.

Sincerely,

Delphi Corporation