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DELPHI SIGNS SALE AGREEMENT FOR CATALYST BUSINESS; FILES MOTION TO REQUEST HEARING WITH BANKRUPTCY COURT

TROY, Mich. – Delphi Corporation (PINKSHEETS: DPHIQ) and certain of its affiliates (collectively, “**Delphi**”) has entered into a sale and purchase agreement with Belgium-based Umicore for the sale of its global OE and aftermarket catalyst business, Delphi officials announced today. As part of Delphi’s transformation plan, which was announced on March 31, 2006, Delphi identified the catalyst business as a non-core business line that would be better positioned within another firm. Subject to the terms and conditions of the agreement, the aggregate purchase price for the assets related to the catalyst business is \$55.6 million, subject to adjustments. As required under the U.S. Bankruptcy Code, Delphi filed a motion today with the U.S. Bankruptcy Court for the Southern District of New York requesting a hearing on June 26, 2007, to approve bidding procedures, and a hearing on August 16, 2007, to approve the sale of assets.

Following the completion of the bidding procedures process, including a potential competitive auction, the sale is subject to court approval and other closing conditions, such as certain competition approvals, completion of consultation procedures with certain unions and works councils, and completion of the closing documents. Delphi anticipates the sale closing during the third quarter of 2007.

As outlined in the motion filed with the U.S. Bankruptcy Court, under the sale and purchase agreement between Delphi and Umicore, Umicore will acquire substantially all of the following assets:

- Machinery and working capital;
- Related technology and intellectual property;
- Manufacturing facilities in Tulsa, Okla.; Florange, France; Port Elizabeth, South Africa; and certain licensing agreements (with Varroc Ltd.) for the Indian market for two- and three-wheeled vehicles;



- In connection with the sale, Umicore will also hire certain employees of the catalyst business it acquires from Delphi;
- In addition, Delphi and Umicore will enter into component supply agreements, and transitional toll manufacturing and/or service arrangements for operations in Shanghai, China; Clayton, Australia; San Luis Potosi, Mexico; the Flint Technical Center in Flint, Michigan; and the Luxembourg Technical Center in Bascharage, Luxembourg.

Delphi will carefully manage the transition of the business and the sale will be completed in coordination with Delphi's customers, employees, unions and other stakeholders.

The catalyst, which includes a ceramic substrate coated with precious metals, is located inside a catalytic converter. The catalytic converter facilitates the chemical reactions that change engine exhaust emissions (primarily hydrocarbons, carbon monoxide and oxides of nitrogen), collected in the exhaust manifold, into water vapor, carbon dioxide and nitrogen. Catalytic converters make vehicles more environmentally friendly and help meet tailpipe emissions requirements.

Although the company is selling its catalyst business, it will continue to provide full engine management systems (EMS), including air and fuel management, combustion and valvetrain technology, and exhaust systems technology through its gas EMS product business unit.

More information on this agreement and the court filing is available at www.delphidocket.com.

About Delphi

Delphi is a leading global supplier of mobile electronics and transportation systems, including powertrain, safety, steering, thermal, and controls & security systems, electrical/electronic architecture, and in-car entertainment technologies. Engineered to meet and exceed the rigorous standards of the automotive industry, Delphi technology is also found in computing, communications, consumer electronics, energy and medical applications. Headquartered in Troy, Mich., Delphi has approximately 170,000 employees and operates 162 wholly owned manufacturing sites in 34 countries with sales of \$26.4 billion in 2006. Delphi can be found on the Internet at www.delphi.com.

About Umicore

Umicore is a materials technology group. Its activities are centered on four business areas: Advanced Materials, Precious Metals Products and Catalysts, Precious Metals Services and Zinc Specialties. Each business area is divided into market-focused business units.

Umicore focuses on application areas where it knows its expertise in materials science, chemistry and metallurgy can make a real difference, be it in products that are essential to everyday life or those at the cutting edge of new technological developments. Umicore's overriding goal of sustainable value creation is based on this ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of € 8.8 billion (€ 1.9 billion excluding metal) in 2006 and currently employs some 17,000 people.

Forward-Looking Statement

This press release, as well as other statements made by Delphi may contain forward-looking statements that reflect, when made, the Company's current views with respect to current events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the actual results of the Company to be materially different from any future results, express or implied, by such forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: the ability of the Company to continue as a going concern; the ability of the Company to operate pursuant to the terms of the debtor-in-possession financing facility; the terms of any reorganization plan ultimately confirmed; the Company's ability to obtain Court approval with respect to motions in the chapter 11 cases prosecuted by it from time to time; the ability of the Company to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the chapter 11 cases; the Company's ability to satisfy the terms and conditions of the Equity Purchase and Commitment Agreement (including the Company's ability to achieve consensual agreements with GM and its U.S. labor unions on a timely basis that are acceptable to the Plan Investors in their sole discretion); the Company's ability to satisfy the terms and conditions of the Plan Framework Support Agreement; risks associated with third parties seeking and obtaining Court approval to terminate or shorten the exclusivity period for the Company to propose and confirm one or more plans of reorganization, for the appointment of a chapter 11 trustee or to convert the cases to chapter 7 cases; the ability of the Company to obtain and maintain normal terms with vendors and service providers; the Company's ability to maintain contracts that are critical to its operations; the potential adverse impact of the chapter 11 cases on the Company's liquidity or results of operations; the ability of the Company to fund and execute its business plan (including the transformation plan described in Item 1. Business "Potential Divestitures, Consolidations and Wind-Downs" of the Annual Report on Form 10-K for the year ended December 31, 2006 filed with the SEC) and to do so in a timely manner; the ability of the Company to attract, motivate and/or retain key executives and associates; the ability of the Company to avoid or continue to operate during a strike, or partial work stoppage or slow down by any of its unionized employees and the ability of the Company to attract and retain customers. Additional factors that could affect future results are identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, including the risk factors in Part I. Item 1A. Risk Factors, contained therein and the Company's quarterly periodic reports for the subsequent periods, including the risk factors in Part II. Item 1A. Risk Factors, contained therein, filed with the SEC. Delphi disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise.

Similarly, these and other factors, including the terms of any reorganization plan ultimately confirmed, can affect the value of the Company's various prepetition liabilities, common stock and/or other equity securities. Additionally, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy cases to each of these constituencies. A plan of reorganization could result in holders of Delphi's common stock receiving no distribution on account of their interest and cancellation of their interests. In addition, under certain conditions specified in the Bankruptcy Code, a plan of reorganization may be confirmed notwithstanding its rejection by an impaired class of creditors or equity holders and notwithstanding the fact that equity holders do not receive or retain property on account of their equity interests under the plan. In light of the foregoing, the Company considers the value of the common stock to be highly speculative and cautions equity holders that the stock may ultimately be determined to have no value. Accordingly, the Company urges that appropriate caution be exercised with respect to existing and future investments in Delphi's common stock or other equity interests or any claims relating to prepetition liabilities.

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