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### **DELPHI ANNOUNCES EFFECTIVENESS OF KEY AGREEMENTS AND FURTHER ADVANCES ITS TRANSFORMATION ACTIVITIES**

*Delphi Gains Court Approval on Motions Seeking Modifications to Employee Pension Programs and Modifications to Global Settlement Agreement and Master Restructuring Agreement*

*U.S. Unions Consent to Transfer Of Hourly Pension Assets and Liabilities*

**TROY, Mich.** - Delphi Corp. (PINKSHEETS: DPHIQ) today announced the effectiveness of several agreements with GM and Delphi's U.S. unions. These agreements further the significant progress Delphi has achieved in its Chapter 11 cases and, together with other actions Delphi has taken, keep Delphi on track to complete the five key tenets of its transformation by year's end.

On Sept. 26, 2008, the U.S. Bankruptcy Court for the Southern District of New York authorized Delphi to enter into an Amended and Restated Global Settlement Agreement (Amended GSA) and an Amended and Restated Master Restructuring Agreement (Amended MRA) with GM, as well as an amendment to an existing Advance Agreement with GM. In addition, on Sept. 23, 2008, the Bankruptcy Court authorized Delphi to take actions with respect to certain of its existing pension plans and to implement replacement pension plans.

The Amended GSA and Amended MRA reflect the completion of Delphi's negotiations with GM to finalize its financial support of Delphi's legacy and labor costs (including by means of GM's assumption of Delphi's U.S. Hourly post-retirement benefits obligations and support for certain labor costs) and to document Delphi's business relationship with GM going forward. In addition, these agreements, together with Implementation Agreements, which have been entered into with each of the Company's six U.S. unions, will allow Delphi to immediately commence implementation of a workable solution to its pension obligations through

- a transfer of U.S. hourly pension liabilities and assets from the Delphi hourly pension plan to the GM hourly pension plan in the net amount of approximately \$2.1 to 2.4 billion, in the first of two anticipated transfers of U.S. hourly pension liabilities to the GM hourly pension plan, and
- the freezing of substantially all of Delphi's existing U.S. pension plans and the implementation of replacement plans.



Importantly, the Pension Benefit Guaranty Corporation (PBGC) has stated that as a result of the transfer of pension liability, the PBGC will begin withdrawing its previous lien filings of approximately \$1.2 billion.

The amendment to the Advance Agreement provides for an additional \$300 million availability to Delphi, which, combined with the net payments of over \$900 million to be made by GM to Delphi upon the effectiveness of the Amended GSA and Amended MRA, provides significant enhancement to Delphi's liquidity position.

These agreements and the actions being taken by Delphi provide the framework for the Company to complete its transformation and emerge from Chapter 11 as soon as practicable.

### **ABOUT DELPHI'S CHAPTER 11 CASE**

Delphi's Chapter 11 cases were filed on Oct. 8, 2005, in the United States Bankruptcy Court for the Southern District of New York and were assigned to the Honorable Robert D. Drain under lead case number 05-44481 (RDD).

More information on Delphi's U.S. restructuring and access to court documents is available at [www.delphidocket.com](http://www.delphidocket.com).

Information on the case can also be obtained on the Bankruptcy Court's website with Pacer registration: <http://www.nysb.uscourts.gov>. For more information about Delphi and its operating subsidiaries, visit Delphi's website at [www.delphi.com](http://www.delphi.com).

### **FORWARD LOOKING STATEMENTS**

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 and its advance agreement with GM, to obtain an extension of term or other amendments as necessary to maintain access to such facility and advance agreement; 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 consummate its amended plan of reorganization which was confirmed by the Court on January 25, 2008 or any other subsequently confirmed plan of reorganization; 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 "Plan of Reorganization and Transformation Plan" of the Annual Report on Form 10-K for the year ended December 31, 2007 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 or those of its principal customers and the ability of the Company to attract and retain customers. Additional factors that could affect future results are identified in the Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC, 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.