LANDEC CORP \CA\
Form 4
August 01, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
TAFT DAVID D

(Last) (First) (Middle)

C/O LANDEC CORPORATION, 3603 HAVEN AVENUE

(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
LANDEC CORP \CA\ [LNDC]

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Operating Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	$ 6.09	07/29/2005		A		5,000		06/19/2005 [(1)]	05/19/2012	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TAFT DAVID D C/O LANDEC CORPORATION 3603 HAVEN AVENUE MENLO PARK, CA 94025			Chief Operating Officer	

Signatures

/s/ Stacia Leigh Skinner by Power of Attorney	08/01/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The option shall be exercisable cumulatively at a rate of 1/12th of the shares subject to the option on the 19th of each month after May 19, 2005 for a total of 12 months.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ot practicable to calculate the unrecognized tax provision on these earnings. In addition, Delphi currently experiences tax credits and holidays in various non-U.S. jurisdictions with expiration dates from 2004 through indefinite. The income tax benefits attributable to these tax credits and holidays are approximately $47 million ($0.08 per share) for 2004, $29 million ($0.05 per share) for 2003 and $17 million ($0.03 per share) for 2002. A portion of these tax benefits are already offset by deferred tax liabilities recorded for U.S. taxes on unremitted profits from these operations.

Annual tax provisions include amounts considered sufficient to pay assessments that may result from examination of prior year tax returns; however, income tax accruals in the consolidated balance sheets reflect that GM is responsible for assessments related to tax returns for 1998, excluding Delphi Delco Electronics and certain other limited contingencies. Examinations of tax returns for years prior to 1998 have been substantially settled.

Cash paid for income taxes, primarily foreign, was $119 million, $122 million and $78 million in 2004, 2003 and 2002, respectively.

In October 2004, the American Jobs Creation Act of 2004 (the Act) was signed into law. The Act provides a deduction, which will be phased in from 2005 through 2010, for up to nine percent of the lesser of qualified production activities income or taxable income. In return, the Act also provides for a two-year phase-out of the existing extraterritorial income exclusion (ETI) for foreign sales that was viewed to be inconsistent with international trade protocols by the European Union. Because Delphi currently has a net operating loss (NOL) for tax purposes, we do not expect the net effect of the phase out of the ETI and the phase in of this new deduction to result in a significant impact on the effective tax rate for fiscal years 2005 and 2006. In the long-term, Delphi expects that the benefit of the new deduction will be minimal since future U.S. taxable income will be substantially eliminated due to future deductions for funding of previously accrued pension obligations and other post employment benefits.

Under the guidance in FASB Staff Position No. SFAS 109-1, *Application of FASB Statement No. 109, Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004,* the deduction will be treated as a special deduction as described in SFAS No. 109. As such, the special deduction has no effect on deferred tax assets and liabilities existing at the enactment date. Rather, the impact of this deduction will be reported in the period in which the deduction is claimed on our tax return.

The Act also creates a temporary incentive for U.S. corporations to repatriate earnings from foreign subsidiaries by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations to the extent the dividends exceed a base amount and are invested in the U.S. pursuant to a domestic reinvestment plan. The temporary incentive is available to Delphi in 2005. The amount of Delphi s dividends potentially eligible for the deduction is limited to $500 million. Delphi anticipates that it is unlikely that it will elect to claim the 85% dividends received deduction provided for under the Act, since such election would require the payment of cash taxes that, due to available U.S. tax attributes including foreign tax credits, would not be required for dividends under the normal tax rules.

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7. PROPERTY, NET

Property, net consisted of:

	Estimated Useful Lives (Years)	December 31, 2004	December 31, 2003
		(in millions)	
Land		$ 118	$ 110
Land and leasehold improvements	3-31	246	242
Buildings	29-40	2,233	2,151
Machinery, equipment, tooling and spare parts	3-27	12,225	11,791
Furniture and office equipment	3-15	719	680
Construction in progress		605	702
Total		16,146	15,676
Less: accumulated depreciation and amortization		(10,200)	(9,277)
Total property, net		$ 5,946	$ 6,399

Machinery, equipment and tooling at December 31, 2004 and 2003 included approximately $441 million and $420 million, respectively, in Delphi-owned special tools. In addition, the consolidated balance sheets include costs incurred on customer-owned special tools subject to reimbursement by customers of approximately $239 million and $266 million as of December 31, 2004 and 2003, respectively.

Losses related to the valuation of long-lived assets held for use were charged to depreciation and amortization in the amounts of $326 million and $58 million in 2004 and 2003, respectively. See Note 3 Employee and Product Line Charges for discussion of asset impairments recorded in conjunction with the employee and product line charges recorded in 2004 and 2003.

8. GOODWILL

At December 31, 2004 and December 31, 2003, our purchased goodwill balance was approximately $798 million and $773 million respectively, and was principally in the Dynamics, Propulsion & Thermal (DPTI) sector. Approximately $300 million of goodwill is tax deductible. The change during the year was due to increases from currency translation, primarily the euro and the acquisitions of Peak Industries, Inc. and Dynamit Nobel AIS GmbH Automotive Ignition Systems, offset by a $46 million goodwill impairment charge.

The change in carrying amount of goodwill for the year ended December 31, 2004 and 2003 is as follows:

	December 31, 2004	December 31, 2003
	(in millions)	
Goodwill, beginning balance	$ 773	$ 699
Acquisitions	34	
Impairment	(46)	
Other (primarily currency translation)	37	74
Balance at December 31,	$ 798	$ 773

Pursuant to SFAS No. 142, *Goodwill and Other Intangible Assets*, (SFAS 142) goodwill is required to be tested for impairment annually at the reporting unit level. In addition, goodwill should be

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tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its related carrying value. As of year-end of 2004, we updated our annual goodwill recoverability assessment to incorporate changes in market conditions. This process included reviewing expectations for the long-term growth of our businesses and forecasting future cash flows. During this assessment we identified certain factors, primarily reductions in production volumes and higher commodity costs that caused us to lower our estimated future cash flows. The reduced future cash flows indicated that it is more likely than not that the fair value of two reporting units within the DPTI sector was less than its carrying value. Accordingly, we recorded an impairment charge of $46 million to reduce the carrying value of goodwill to its estimated implied fair value. We are in the process of finalizing our assessment of the fair value of the reporting units impacted utilizing the assistance of third party valuation experts. The estimated goodwill impairment charge has been included in depreciation and amortization expense on the consolidated statements of operations. Any adjustment to the estimated impairment loss will be recognized in depreciation and amortization expense in a subsequent reporting period.

The 2004 goodwill impairment charge is primarily attributable to a decrease in the reporting units estimated fair values based upon the effect of market conditions on current operating results and on management s projections of future financial performance, specifically lower North American vehicle production levels and higher commodity costs. The discounted cash flows were estimated using internal budget information based on recent sales data and production volume estimates. Further changes in economic or operating conditions impacting these estimates could result in additional goodwill impairment charges.

9. ACCRUED LIABILITIES

Accrued liabilities consisted of:

	December 31,	
	2004	2003
	(in millions)	
Payroll related obligations	$ 231	$ 195
Employee benefits, including current pension obligations	1,091	738
Income taxes payable	117	60
Taxes other than income	195	217
Warranty obligations	226	165
Employee and product line charges	140	251
Other	694	1,058
Total	$ 2,694	$ 2,684

The table below summarizes the activity in the product warranty liability for the years ended December 31, 2004 and 2003.

	December 31,	
	2004	2003
	(in millions)	
Accrual balance at beginning of year	$ 258	$ 276
Provision for estimated warranties accrued during the year	86	86
Accruals for pre-existing warranties (including changes in estimates)	53	9

Settlements made during the year (in cash or in kind)	(126)	(124)
Foreign currency translation	3	11
Accrual balance at end of year	$ 274	$ 258

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Approximately $226 million and $165 million of the warranty accrual balance as of December 31, 2004 and December 31, 2003, respectively is included in accrued liabilities in the accompanying consolidated balance sheet. The remainder of the warranty accrual balance is included in other long-term liabilities.

10. DEBT

Debt is summarized as follows:

	December 31,	
	2004	2003
	(in millions)	
Commercial paper program	$ 330	$ 110
6.125%, unsecured notes, due 2004		500
6.55%, unsecured notes, due 2006	500	500
6.50%, unsecured notes, due 2009	498	498
6.50%, unsecured notes, due 2013	495	494
7.125%, debentures, due 2029	496	496
Capital leases and other	249	446
Total debt	2,568	3,044
Less: current portion	(507)	(892)
Long-term debt	$ 2,061	$ 2,152

In 2004, Delphi maintained $2.9 billion of worldwide commercial paper programs. Interest rates under these programs are determined based on the prevailing market rates at the time of issuing commercial paper. Borrowings under these programs are for a maximum of 365 days and are classified as short-term debt in the consolidated balance sheet. As a result of our short-term credit ratings, B3/ NP/ WR as of June 30, 2005, we do not have access to the commercial paper market. As of December 31, 2004, $0.3 billion was outstanding under the commercial paper program with a weighted average interest rate of 2.6%. As of December 31, 2003, $0.1 billion was outstanding under the commercial paper program with a weighted average interest rate of 1.5%.

Delphi had two financing arrangements with a syndicate of lenders providing for an aggregate of $3.0 billion in available revolving credit facilities (the Credit Facilities), reduced by the amount of any outstanding letters of credit. The terms of the Credit Facilities provide for a five-year revolving credit line in the amount of $1.5 billion, which was renewed in 2004 and now expires in June 2009, and a 364-day revolving credit line in the amount of $1.5 billion, which was renewed in 2004 and expired in June 2005. We have never borrowed under either of these Credit Facilities. However, Delphi had approximately $57 million in letters of credit outstanding against the Credit Facilities as of December 31, 2004. Our Credit Facilities also contained certain affirmative and negative covenants including a financial covenant requirement for a debt to EBITDA coverage ratio not to exceed 3.25 to 1.0 at December 31, 2004. In addition, certain of our lease facilities discussed below contain cross-default provisions to our Credit Facilities. We were in compliance with the financial covenant and all other covenants as of December 31, 2004 and the amended covenants as of March 31, 2005.

We have outstanding publicly held unsecured term debt securities totaling approximately $2.0 billion. In July 2003, we issued 6.50% unsecured notes with an aggregate principal amount of $500 million, which mature on August 15, 2013. We pay interest on these notes semi-annually on February 15 and August 15 of each year, which began February 15, 2004. Our next maturity of $500 million of long-term unsecured debt comes due on June 15, 2006, and bears interest at 6.55% with interest payable semi-annually on June 15 and December 15 of each year. Thereafter,

we have $500 million of securities bearing interest at 6.50% and maturing on May 1, 2009, and $500 million of securities bearing interest at 7.125% and maturing on

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May 1, 2029. Interest on these debt securities is payable semi-annually on May 1 and November 1 of each year. None of the debt securities has sinking fund requirements. The securities are all redeemable, in whole or in part, at the option of Delphi.

As of December 31, 2004 and 2003, Delphi also had other debt outstanding and capital lease obligations of approximately $249 million and $446 million, respectively, which includes debt issued by certain international subsidiaries, factoring of accounts receivable by certain international subsidiaries, indirect material financing and amounts due under a trade payables program with General Electric Capital Corporation (GECC). We maintained a program with GECC that allows some of our suppliers to factor their receivables from us to GECC for early payment. This program also allowed us to have GECC pay our suppliers on our behalf, providing extended payment terms to us. Amounts outstanding under the GECC trade payable program were $8 million and $168 million at December 31, 2004 and 2003, respectively. There were no payables beyond their stated terms at December 31, 2004 and 2003.

As of December 31, 2004, Delphi had approximately $350 million available under uncommitted lines of credit. Interest rates under these lines of credit are determined at the time of borrowing based on the underlying bank rates. Borrowings under these lines are generally due within 180 days and are classified as short-term debt in the consolidated balance sheet. As of December 31, 2004 and 2003, $7 million and $9 million, respectively, were outstanding under uncommitted lines of credit. Due to our current credit rating, Delphi s access to uncommitted lines of credit has declined.

On March 28, 2005, Delphi reached agreement with its syndicate of lenders to amend certain terms of its $3.0 billion revolving credit facilities including its EBITDA coverage ratio. Delphi also agreed to the elimination of its option to extend repayment for up to one year beyond the expiration date of its 364-day revolving credit line for any amounts outstanding on the expiration date. Additionally, the syndicate of lenders waived Delphi s obligation to provide audited financial statements for the year ended December 31, 2004 until June 30, 2005.

On June 14, 2005, Delphi reached agreement with its syndicate of lenders to amend certain terms of its existing $1.5 billion five-year revolving credit facility (the Revolving Credit Facility). The amendment increased the available credit under Delphi s Revolving Credit Facility to $1.8 billion and added a $1.0 billion six-year term loan (the Term Loan, and together with the Revolving Credit Facility, the Facilities). As previously announced, upon the effectiveness of the new Facilities, Delphi terminated its 364-day revolving credit facility in the amount of $1.5 billion.

The Term Loan requires interest payments during the term at a variable interest rate of 650 basis points above the Eurodollar base rate, which is the London Interbank Borrowing Rate (LIBOR). On June 14, 2005, one-month LIBOR was 3.2% per annum. The LIBOR interest rate period can be set at a one, two, three or six-month period as selected by Delphi in accordance with the terms of the Facilities. Accordingly, the interest rate will fluctuate based on the movement of LIBOR through the term of the loan. The Term Loan has a 1% per annum amortization for the first 5 years and 9 months. The then outstanding principal and any accrued and unpaid interest is due in full at the end of term, on June 14, 2011. The Term Loan is not repayable in the first year and, in accordance with the terms of the Facilities, during the second and third year is subject to call premiums on the balance outstanding of 2% and 1%, respectively. After the third year, the then outstanding Term Loan principal is repayable without premium or penalty.

The Revolving Credit Facility carries a variable interest rate of 500 basis points above LIBOR on outstanding borrowings subject to adjustment based on Delphi s credit ratings. The Revolving Credit Facility has a commitment fee payable on the unused portion of 50 bps per annum, which is also subject to adjustment based upon Delphi s credit ratings. Each of the interest rates on borrowings and the commitment fee under the Revolving Credit Facility is adjustable and will fluctuate as described for the Term Loan. The Revolving Credit Facility will expire June 18, 2009. Borrowings under the Revolving Credit Facility are prepayable at Delphi s option without premium or penalty.

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The Facilities provide the lenders with a first lien on substantially all material tangible and intangible assets of Delphi and its wholly-owned domestic subsidiaries (however, Delphi is only pledging 65% of the stock of its first tier foreign subsidiaries) and further provides that amounts borrowed under the Facilities will be guaranteed by Delphi s wholly-owned domestic subsidiaries (except for insignificant subsidiaries and subsidiaries that participate in accounts receivable financings). The amount outstanding at any one time is limited by a borrowing base computation. The borrowing base is calculated as the sum of (a) 85% of U.S. accounts receivable (excluding accounts receivable which have been sold into the U.S. accounts receivables securitization program) of Delphi and its subsidiaries, (b) 60% of inventory (including raw materials, work in progress and finished goods, but excluding inventory to the extent subject to accounts receivable financings) of Delphi and its subsidiaries that is located in the United States or which is owned but consigned to Mexican subsidiaries, and (c) $750,000,000 with respect to U.S. plant, property and equipment of Delphi and its subsidiaries. The terms of the Facilities specifically limit the obligations to be secured by a security interest in certain U.S. manufacturing properties and U.S. manufacturing subsidiaries in order to ensure that at the time of any borrowing under the Term Loan or the Revolving Credit Facility, the amount of the applicable borrowing which is secured by such assets (together with other borrowings which are secured by such assets and obligations in respect of certain sale-leaseback transactions) will not exceed 15% of Consolidated Net Tangible Assets (as defined in the indenture applicable to Delphi s outstanding bonds and debentures).

The amended Facilities contain financial covenants based on consolidated leverage ratios, which are tested at each quarter-end using the ratio of (a) secured debt (excluding letters of credit, but including, without limitation, Term Loans, revolving loans, funded debt in respect of receivables securitizations and factoring facilities, and any other secured debt (including second lien debt) permitted under the terms of the Facilities, minus cash on each test date in excess of $500,000,000, (provided that the amount of such cash deducted shall in no event exceed $500,000,000) to (b) the aggregate sum of the preceding four quarters EBITDA (as defined in the Facilities). The above mentioned ratio cannot exceed 2.75 to 1 for each of the quarters through and including June 30, 2006, 2.50 to 1 for the quarters from September 30, 2006 to and including September 30, 2007, and 2.25 to 1 for the fourth quarter of 2007 and thereafter. Further, the syndicate of lenders waived Delphi s obligation to provide audited financial statements for the year ended December 31, 2004 until September 30, 2005, and agreed not to consider any inaccuracy of Delphi s non-GAAP measures of net liquidity as disclosed in Delphi s Form 8-K Current Report filed with the Securities and Exchange Commission on June 9, 2005 as a material adverse change.

Cash paid for interest totaled $245 million, $193 million and $210 million in 2004, 2003 and 2002, respectively.

The principal maturities of debt, net of applicable discount and issuance costs, and the minimum capital lease obligations for the five years subsequent to 2004 are as follows:

Year	Debt and Capital Lease Obligations (in millions)
2005	507
2006	516
2007	14
2008	23
2009	502
Thereafter	1,006
Total	$ 2,568

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11. JUNIOR SUBORDINATED NOTES DUE TO DELPHI TRUST I AND II

Delphi Trust I

In October 2003, Delphi Trust I (Trust I), a wholly-owned subsidiary of Delphi, issued 10,000,000 shares of $8^{1}/4\%$ Cumulative Trust Preferred Securities, with a liquidation amount of $25 per trust preferred security and an aggregate liquidation preference amount of $250 million. The sole assets of Trust I are $257 million of aggregate principal amount of Delphi junior subordinated notes due 2033 (the Trust I notes), also bearing interest at $8^{1}/4\%$. Trust I pays cumulative cash distributions at an annual rate equal to $8^{1}/4\%$ of the liquidation amount on the preferred securities. Delphi has the ability to defer interest payments on the Trust I notes at any time for up to 20 consecutive quarterly periods. If Delphi elects to defer interest payments, Trust I will also defer payment on preferred distributions, however, additional distributions will accumulate on the deferred distributions at an annual rate equal to $8^{1}/4\%$ compounded quarterly. In addition, Delphi has the ability to redeem the Trust I notes in whole or in part, at any time on or after October 15, 2008 at 100% of their principal amount, plus accrued and unpaid interest. Delphi also may redeem the Trust I notes, if an adverse tax consequence occurs. In the event that Delphi elects to redeem the Trust I notes, Trust I will be required to redeem an equivalent amount of its preferred common securities at their liquidation amount plus any accrued and unpaid distributions.

Delphi Trust II

In November 2003, Delphi Trust II (Trust II), a wholly-owned subsidiary of Delphi, issued 150,000 shares of Adjustable Rate Trust Preferred Securities with a five-year initial rate of 6.197%, a liquidation amount of $1,000 per trust preferred security and an aggregate liquidation preference amount of $150 million. The sole assets of Trust II are $155 million aggregate principal amount of Delphi junior subordinated notes due 2033 (the Trust II notes) with interest terms matching those of the preferred securities. Trust II pays cumulative cash distributions at an annual rate equal to 6.197% of the liquidation amount during the initial fixed rate period (which is through November 15, 2008) on the preferred securities. Delphi has the ability to defer interest payments on the Trust II notes at any time for up to five years at a time. If Delphi elects to defer interest payments, Trust II will also defer payment on preferred distributions, however, additional distributions will accumulate on the deferred distributions at the applicable distribution rate. In addition, Delphi has the ability to redeem the Trust II notes in whole, but not in part, at any time on or after November 15, 2008 at 100% of their principal amount, plus accrued and unpaid interest. Delphi also may redeem the Trust II notes in whole, but not in part, if an adverse tax consequence occurs. In the event that Delphi elects to redeem the Trust II notes, Trust II will be required to redeem an equivalent amount of its preferred common securities at their liquidation amount plus any accrued and unpaid distributions.

Delphi Guarantees

Delphi has irrevocably and unconditionally guaranteed that if a payment on the notes is made to Trust I or Trust II, but for any reason, Trust I or Trust II does not make the corresponding distribution or redemption payment to the holders of the preferred securities, then Delphi will make payments directly to the holders. This guarantee does not cover payments when the trusts do not have sufficient funds to make payments to the holders.

Accounting Treatment

We have determined that both Trust I and Trust II are considered variable interest entities, of which we are not the primary beneficiaries. As a result, although both Trust I and Trust II are 100% owned by us, we do not consolidate them into our financial statements. However, the Trust I and Trust II notes are reflected as long-term debt on our consolidated balance sheet and the related interest is included as a component of interest expense on our Statement of Operations. If Trust I and Trust II were consolidated by us, our other long term assets and debt would each be $12 million less as of December 31, 2004 but there would be no significant impact on interest expense for the year ended December 31, 2004.

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12. PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension plans covering unionized employees in the U.S. generally provide benefits of negotiated stated amounts for each year of service, as well as supplemental benefits for employees who qualify for retirement before normal retirement age. The benefits provided by the plans covering U.S. salaried employees are generally based on years of service and salary history. Certain Delphi employees also participate in nonqualified pension plans covering executives, which are unfunded. Such plans are based on targeted wage replacement percentages, and are generally not significant to Delphi. Delphi s funding policy with respect to its qualified plans is to contribute annually, not less than the minimum required by applicable laws and regulations.

The 2004 and 2003 amounts shown below reflect the defined benefit pension and other postretirement benefit obligations (OPEB) for U.S. salaried and hourly employees.

	Pension Benefits		Other Postretirement Benefits	
	2004	2003	2004	2003
	(in millions)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 11,413	$ 9,712	$ 8,469	$ 6,872
Service cost	284	261	176	168
Interest cost	699	643	498	459
Actuarial losses	920	667	1,141	1,083
Benefits paid	(472)	(375)	(154)	(120)
Special termination benefits	7	6	2	
Flowbacks to GM			(72)	70
Plan amendments and other	21	499	(455)	(63)
Benefit obligation at end of year	12,872	11,413	9,605	8,469
Change in plan assets:				
Fair value of plan assets at beginning of year	7,437	5,628		
Actual return on plan assets	938	1,176		
Contributions	600	990	154	120
Benefits paid	(472)	(375)	(154)	(120)
Other	23	18		
Fair value of plan assets at end of year, including $0.4 million and $0.3 million of Delphi common stock at December 31, 2004 and 2003, respectively	8,526	7,437		
Underfunded status	(4,346)	(3,976)	(9,605)	(8,469)
Unamortized actuarial loss	3,912	3,350	3,000	2,425
Unamortized prior service cost	1,018	1,142	(50)	(55)
Net amount recognized in consolidated balance sheets	$ 584	$ 516	$ (6,655)	$ (6,099)

Amounts recognized in the consolidated balance sheets consist of:								
Accrued benefit liability	$	(3,858)	$	(3,575)	$	(6,655)	$	(6,099)
Intangible asset		1,018		1,142				
Accumulated other comprehensive income (pre-tax)		3,424		2,949				
Net amount recognized	$	584	$	516	$	(6,655)	$	(6,099)

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The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for U.S. pension plans with accumulated benefit obligations in excess of plan assets were $12.8 billion, $12.4 billion and $8.5 billion, respectively, as of December 31, 2004 and $11.4 billion, $11.0 billion and $7.4 billion, respectively, as of December 31, 2003.

In 2003, Delphi entered into new labor contracts with the UAW and IUE, covering the period from 2003 to 2007. The impact of the 2003 contracts on the pension liability was a $0.5 billion increase to our projected benefit obligation.

In accordance with requirements under applicable U.S. laws, we contributed approximately $0.6 billion to the U.S. pension plans in the second quarter of 2005.

Certain of Delphi s non-U.S. subsidiaries also sponsor defined benefit pension plans, which generally provide benefits based on negotiated amounts for each year of service. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for non-U.S. plans with plan assets in excess of accumulated benefits were $418 million, $319 million, and $335 million, respectively, as of December 31, 2004, and $330 million, $245 million, and $268 million, respectively, as of December 31, 2003. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for non-U.S. plans with accumulated benefits in excess of plan assets were $779 million, $714 million, and $395 million, respectively, as of December 31, 2004 and $661 million, $600 million, and $339 million, respectively, as of December 31, 2003. In aggregate, the under-funded status, on a projected benefit obligation basis, for non-U.S. plans was $(467) million and $(384) million at December 31, 2004 and 2003, respectively. Other comprehensive income at December 31, 2004 and 2003 includes a minimum pension liability adjustment relating to non-U.S. pension plans of $220 million and $191 million, respectively. Certain of Delphi s non-U.S. subsidiaries have other postretirement benefit plans, although most participants are covered by government sponsored or administered programs. The annual cost of such pension and other postretirement benefit plans was not significant to Delphi.

We also sponsor defined contribution plans for certain U.S. and non-U.S. hourly and salary employees. During 2004, 2003 and 2002, expenses incurred related to our contributions to these plans were not material.

We were required at December 31, 2004 and 2003 to adjust the minimum pension liability recorded in our consolidated balance sheet for both U.S. and non-U.S. plans. In 2004, the effect of this adjustment was to increase pension liabilities by $0.3 billion, increase our deferred income taxes by $0.1 billion (before consideration of a valuation allowance), increase accumulated other comprehensive loss by $0.3 billion and decrease intangible assets by $0.1 billion. In 2003, the effect of this adjustment was to increase pension liabilities by $0.4 billion and intangible assets by $0.4 billion. Because these adjustments were non-cash, the effect has been excluded from the accompanying Consolidated Statements of Cash Flows.

Benefit costs presented below were determined based on actuarial methods and included the following components for U.S. salaried and hourly employees:

	Pension Benefits			Other Postretirement Benefits		
	2004	2003	2002	2004	2003	2002
	(in millions)					
Service cost	$ 284	$ 261	$ 255	$ 176	$ 168	$ 147
Interest cost	699	643	603	498	459	405
Expected return on plan assets	(722)	(647)	(692)			
Special termination benefits	7	6	26	2		5
Amortization of prior service costs	139	91	92	(5)	1	(9)
Amortization of losses (gains)	142	108	9	121	73	2
Net periodic benefit cost	$ 549	$ 462	$ 293	$ 792	$ 701	$ 550

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Experience gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions are amortized over the average future service period of employees.

The principal assumptions used to determine the pension and other postretirement expense and the actuarial value of the projected benefit obligation for the U.S. pension plan and postretirement plans were:

	Pension Benefits			Other Postretirement Benefits		
	2004	**2003**	**2002**	**2004**	**2003**	**2002**
Weighted-average discount rate	5.75%	6.25%	6.75%	6.00%	6.25%	6.75%
Weighted-average rate of increase in compensation levels	4%	4%	4.5%	4%	4%	4%
Expected long-term rate of return on plan assets	9%	9%	10%	N/A	N/A	N/A

Delphi selected discount rates based on analyzing the results of matching high quality fixed income investments rated AA or higher by Standard and Poor s and the regular and above median Citigroup Pension Discount Curve, with expected benefit cash flows. Since high quality bonds in sufficient quantity and with appropriate maturities are not available for all years when benefit cash flows are expected to be paid, hypothetical bonds were imputed based on combinations of existing bonds, and interpolation and extrapolation reflecting current and past yield trends. The pension discount rate determined on that basis decreased from 6.25% for 2003 to 5.75% for 2004. This 50 basis point decline in the discount rate increased the underfunded status of our U.S. pension plans by approximately $0.7 billion. The OPEB discount rate determined on that basis decreased from 6.25% for 2003 to 6.00% for 2004. This 25 basis point decline in the discount rate increased the underfunded status of our U.S. OPEB plans by approximately $0.3 billion.

For 2004, Delphi assumed a long-term asset rate of return of 9%. In developing the 9% expected long-term rate of return assumption, we evaluated input from our third party pension plan asset managers, including their review of asset class return expectations and long-term inflation assumptions. We also considered Delphi s post-spin off and GM s pre-spin off historical 15-year compounded return, which was in line with our long-term rate of return assumption.

As required by generally accepted accounting principles, our pension expense for 2005 is determined at the end of December 2004. However, for purposes of analysis, the following table highlights the sensitivity of our pension obligations and expense to changes in assumptions:

Change in Assumption	**Impact on Pension Expense**	**Impact on PBO**
25 basis point (bp) decrease in discount rate	+ $25 to 35 Million	+ $0.4 Billion
25 bp increase in discount rate	- $25 to 35 Million	- $0.4 Billion
25 bp decrease in long-term return on assets	+ $20 to 30 Million	
25 bp increase in long-term return on assets	- $20 to 30 Million	

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Our pension plan asset allocation at December 31, 2004, 2003, and target allocation for 2005 are as follows:

Asset Category	Percentage of Plan Assets at December 31, 2004	Percentage of Plan Assets at December 31, 2003	Target Allocation 2005
Equity Securities	61%	59%	50% - 75%
Fixed Income	32%	30%	25% - 40%
Real Estate	6%	10%	5% - 9%
Other	1%	1%	0% - 2%
Total	100%	100%	

Delphi invests in a diversified portfolio consisting of an array of asset classes that attempts to maximize returns while minimizing volatility. These asset classes include, U.S domestic equities, developed market equities, emerging market equities, private equity, global high quality and high yield fixed income, real estate and absolute return strategies. During 2003, we entered into a risk reduction program to reduce our exposure to developed market equities. The goal of the program was to reduce the potential impact to our funded status of a downturn in developed market equity returns. This program was discontinued in the beginning of 2004.

National union negotiations allow for some of our hourly employees in the U.S. being provided with certain opportunities to transfer to GM as appropriate job openings become available at GM and GM employees in the U.S. having similar opportunities to transfer to our company to the extent job openings become available at our company. If such a transfer occurs, both Delphi and GM will be responsible for pension payments, which in total reflect such employee s entire eligible years of service. Allocation of responsibility between Delphi and GM will be on a pro rata basis depending on the length of service at each company (although service at Delphi includes service with GM prior to the Separation). There will be no transfer of pension assets or liabilities between GM and us with respect to such employees that transfer between our companies. The company to which the employee transfers will be responsible for the related OPEB obligation. An agreement with GM provides for a mechanism for determining a cash settlement amount for OPEB obligations associated with employees that transfer between GM and Delphi.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Projected Pension Benefit Payments	Projected OPEB Benefit Payments (Pre-Medicare)	Projected Medicare Subsidy Receipts
		(in millions)	
2005	$ 556	$ 216	$
2006	643	262	(4)
2007	726	309	(5)
2008	815	360	(7)
2009	899	411	(8)
2010 2014	$ 5,127	$ 2,680	$ (81)

In accordance with our Separation agreement with GM, we will be paying an average of $77 million per year from our OPEB liability (flowbacks) over the next five years to GM. In addition to this, we are also required to make a final settlement payment of approximately $0.3 billion in 2014.

Our annual measurement dates are December 31 and September 30 for our pension benefits and other postretirement benefits, respectively. For OPEB measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2005. The rate was

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assumed to decrease on a gradual basis through 2010, to the ultimate weighted-average trend rate of approximately 5%.

On December 8, 2003, President Bush signed the Medicare Prescription Drug, Improvement and Modernization Act of 2003 , (the Act) into law. This law provides for a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the benefit established by the law. The total impact of the Act on our OPEB liability was $0.5 billion and is being accounted for as an actuarial gain, in accordance with guidance from the Financial Accounting Standards Board (FASB). As a result, the gain will be amortized as a reduction of our periodic expense and balance sheet liability over the next ten to twelve years, depending on the terms of the individual plans. OPEB expense during the year ended December 31, 2004 increased by $91 million compared to 2003. Such increase includes the mitigating impact of the Act, which reduced expense by $64 million for the year ended December 31, 2004, including service cost, interest cost and amortization of the actuarial experience gain. Delphi provides retiree drug benefits that exceed the value of the benefits that will be provided by Medicare Part D, and Delphi s retirees pay a premium for this benefit that is less than the Part D premium. Therefore Delphi has concluded that these benefits are at least actuarially equivalent to the Part D program so that Delphi will be eligible for the basic Medicare Part D subsidy.

On May 19, 2004, the FASB issued FASB Staff Position (FSP) 106-2, Accounting and Disclosure Requirements relating to the Medicare Prescription Drug, Improvement and Modernization Act of 2003, providing additional guidance relating to the accounting for the effects of the Act enacted on December 8, 2003. Because our normal measurement date for our OPEB obligation is September 30 of each year, FSP 106-2 required a one-quarter lag from the remeasurement date (December 8, 2003) before applying the effects of the Act. In connection with our adoption of the provisions of FSP 106-2 in the third quarter of 2004 we retroactively reduced our net income for the three months ended March 31, 2004 by $7 million and increased our net income for the three months ended June 30, 2004 by $2 million. The adoption of FSP 106-2 does not impact our net income for any period in 2003 nor has it impacted the $0.5 billion reduction to our actuarial liability. The restated financial statements reflect the impact of the adoption of FSP 106-2.

Effective March 1, 2005 Delphi amended its health care benefits plan for salaried retirees. Under this plan amendment effective January 1, 2007, the Company reduced its obligations to current salaried active employees, all current salaried retirees and surviving spouses who are retired and are eligible for Medicare coverage. Based on a March 1, 2005 remeasurement date, the expected impact of this amendment will be a decrease in the OPEB liability of $0.8 billion and a decrease in 2005 expense of $72 million. As SFAS No. 106 Employers Accounting for Postretirement Benefits Other than Pensions requires a one-quarter lag from the remeasurement date before applying the effects of the plan amendment, income statement recognition of the plan amendment will begin in June 2005.

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As required by generally accepted accounting principles, our OPEB expense for 2005 is determined at the 2004 measurement date. However, for purposes of analysis, the following table highlights the sensitivity of our OPEB obligations and expense to changes in assumptions:

Change in Assumption	Impact on OPEB Expense	Impact on OPEB Liability
25 bp decrease in discount rate	+ $25 to 35 Million	+ $0.3 Billion
25 bp increase in discount rate	- $25 to 35 Million	- $0.3 Billion

Note: This analysis excludes any impact of the amendment to the Salaried OPEB plan.

For analytical purposes only, the following table presents the impact that changes in our health care trend rate would have on our OPEB liability and OPEB service and interest cost (in millions):

% Change	Impact on Service & Interest Cost	Impact on OPEB Liability
+ 1%	$ 130	$ 1,398
- 1%	$ (96)	$ (1,151)

Note: This analysis excludes any impact of the amendment to the Salaried OPEB plan.

13. COMMITMENTS AND CONTINGENCIES

Ongoing SEC Investigation

Delphi is the subject of an ongoing investigation by the Staff of the Securities Exchange Commission (SEC) and other federal authorities involving Delphi s accounting and adequacy of disclosures for a number of transactions. The transactions being investigated include transactions in which Delphi received rebates or other lump-sum payments from suppliers, certain off-balance sheet financings of indirect materials and inventory, and the payment in 2000 of $237 million in cash, and the subsequent receipt in 2001 of $85 million in credits, as a result of certain settlement agreements entered into between Delphi and its former parent company, General Motors. Delphi s Audit Committee has completed its internal investigation of these transactions and concluded that many were accounted for improperly. Contemporaneously with this filing, Delphi has filed amended quarterly reports on Form 10-Q/ A for the first and second quarters of 2004 and quarterly report on Form 10-Q for the third quarter of 2004, which also contain restated financial statements. Delphi expects to file its quarterly report on Form 10-Q for the quarter ended March 31, 2005 on or before June 30, 2005 and thus to become current in its filings with the SEC.

Delphi is fully cooperating with the SEC s ongoing investigation and requests for information as well as the related investigation being conducted by the Department of Justice. The Company has entered into an agreement with the SEC to suspend the running of the applicable statute of limitations until April 6, 2006. Until these investigations are complete, Delphi is not able to predict the effect, if any, that these investigations will have on Delphi s business and financial condition, results of operations and cash flows.

Shareholder Lawsuits

Several class action lawsuits have been commenced against Delphi, several of Delphi s subsidiaries, certain of its current and former directors and officers of Delphi, General Motors Management Corporation (the named fiduciary for investment purposes and investment manager to Delphi s employee benefit plans), and several current and former employees of Delphi or Delphi s subsidiaries, as a result of its announced intention to restate its originally issued financial statements. These lawsuits fall into three categories. One group has been brought under the Employee Retirement Income Security Act of 1974, as amended (ERISA), purportedly on behalf of participants in certain of the Company s and its subsidiaries defined contribution employee benefit pension plans who invested in the Delphi

Corporation Common Stock Fund. Plaintiffs allege that the plans suffered losses due to the defendants breaches of fiduciary duties under ERISA. To date, the Company has received service in five such lawsuits and is

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aware of an additional eleven that are pending. All pending cases have been filed in U.S. District Court for the Eastern District of Michigan.

The second group of purported class action lawsuits variously alleges that the Company and certain of its current and former directors and officers made materially false and misleading statements in violation of federal securities laws. To date, the Company has been served in six such lawsuits and is aware of eight additional lawsuits. The lawsuits have been filed in the U.S. District Court for the Eastern District of Michigan, the U.S. District Court for the Southern District of New York, and the U.S. District Court for Southern District of Florida.

The third group of lawsuits pertains to two shareholder derivative cases and a demand. To date, certain current and former directors and officers have been named in two such lawsuits. One has been served in Oakland County Circuit Court in Pontiac, Michigan, and a second is pending in the U.S. District Court for the Southern District of New York. In addition, the Company has received a demand letter from a shareholder requesting that the Company consider bringing a derivative action against certain current and former officers. The derivative lawsuits and the request demand the Company consider further derivative action premised on allegations that certain current and former officers made materially false and misleading statements in violation of federal securities laws. The Company has appointed a special committee of the Board of Directors to consider the demand request.

Due to the preliminary nature of these cases, the Company is not able to predict with certainty the outcome of this litigation or its potential exposure related thereto. Although Delphi believes that any loss that the Company would suffer under such lawsuits should, after payment of a $10 million deductible, be covered by its director and officer insurance policy, it cannot assure you that the impact of any loss not covered by insurance or applicable reserves would not be material. Delphi has recorded a reserve related to these lawsuits equal to the amount of its insurance deductible.

Ordinary Business Litigation

Delphi is from time to time subject to various legal actions and claims incidental to its business, including those arising out of alleged defects, breach of contracts, product warranties, intellectual property matters, environmental matters, and employment-related matters.

As previously disclosed, with respect to environmental matters, Delphi received notices that it is a potentially responsible party (PRP) in proceedings at various sites, including the Tremont City Landfill Site located in Tremont, Ohio which is alleged to concern ground water contamination. In September 2002, Delphi and other PRPs entered into a Consent Order with the Environmental Protection Agency (EPA) to perform a Remedial Investigation and Feasibility Study concerning a portion of the site, which is expected to be completed during 2006. Based on findings to date, we believe that a reasonably possible outcome of the investigative study is capping and future monitoring of this site, which would substantially limit future remediation costs and we have included an estimate of our share of the potential costs of such a remedy plus the cost to complete the investigation in our overall reserve estimate. Because the scope of the investigation and the extent of the required remediation are still being determined, it is possible that the final resolution of this matter may require that we make material future expenditures for remediation, possibly over an extended period of time and possibly in excess of our existing reserves. We will continue to re-assess any potential remediation costs and, as appropriate, our overall environmental reserves as the investigation proceeds.

With respect to warranty matters, although we cannot ensure that the future costs of warranty claims by customers will not be material, we believe our established reserves are adequate to cover potential warranty settlements. However, the final amounts determined to be due related to these matters could differ materially from our recorded estimates. Additionally, in connection with our separation from GM, we agreed to indemnify GM against substantially all losses, claims, damages, liabilities or activities arising out of or in connection with our business post-separation. Due to the nature of such indemnities we are not able to estimate the maximum amount.

With respect to intellectual property matters, on September 7, 2004, we received the arbitrator s binding decision resolving a dispute between Delphi and Litex. In May 2001, Litex had filed suit against Delphi in federal court in the District of Massachusetts alleging infringement of certain patents regarding methods to reduce engine exhaust emissions. As previously disclosed, the results of the arbitration did not have a material impact on Delphi s financial condition, operations or business prospects. However, in March 2005, we received correspondence from counsel representing Litex that Litex intended to file various tort claims against Delphi in California state court. On March 4, 2005, Delphi filed a complaint in the federal court for the District of Massachusetts seeking declaratory relief to enforce the parties agreement in the original case prohibiting Litex from bringing such claims. On March 28, 2005, Litex countersued asserting various tort claims against Delphi and requesting that the court void aspects of the parties agreement in the original case. This matter remains pending before the federal court for the District of Massachusetts.

Additionally, as previously disclosed, we have been mediating a number of patent disputes regarding vehicle occupant detection technologies with Takata Corporation and its subsidiaries. On December 1, 2004, the parties resolved these disputes to their mutual satisfaction by entering into a cross-license agreement concerning various patents in the field of vehicle occupant detection technologies.

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. After discussions with counsel, it is the opinion of management that the outcome of such matters will not have a material adverse impact on the consolidated financial position, results of operations or cash flows of Delphi.

In May 2003, the Ninth Circuit Court of Appeals affirmed the federal district court s decision to award one of our former suppliers approximately $38 million ($25 million after-tax), inclusive of accrued interest, in connection with a commercial dispute. The settlement was paid during the third quarter of 2003.

Contingent Financing Obligations

Rental expense totaled $192 million, $162 million and $154 million for the years ended December 31, 2004, 2003 and 2002, respectively. We have leased certain property, primarily land and buildings that are used in our operations, under leases commonly known as synthetic leases. The leases, which have been accounted for as operating leases, provide us tax treatment equivalent to ownership, and also provide us with the option to purchase these properties at any time during the term or to cause the properties to be remarketed upon lease expiration. The leases also provide that if we do not exercise our purchase option upon expiration of the term and instead elect our remarketing option, we would pay any difference between the purchase option amount and the proceeds of remarketing, up to a maximum of approximately $89 million. At December 31, 2004, the aggregate fair value of these properties exceeded the minimum value guaranteed upon exercise of the remarketing option. As of December 31, 2004, the recorded estimate of the fair value of the residual value guarantee related to these leases was approximately $2 million. Under the terms of the lease agreements, we also provide certain indemnities to the lessor, including environmental indemnities. In addition, the leases contain certain covenants, including a financial covenant requirement that our debt to EBITDA coverage ratio, as defined in the agreement, not exceed 3.25 to 1. Unlike the Credit Facilities, this financial covenant has not been amended. In the event of a default of the terms of the leases, the lessors have the right to notify us of their election to require that we purchase the synthetically leased properties, which would require us to pay the aggregate purchase price of approximately $131 million. Though we were in compliance with our financial covenants at December 31, 2004, our audited financials indicate that at March 31, 2005, our debt to EBITDA coverage ratio exceeded 3.25 to 1. Although we have received no notices from the lessors of their election to obligate us to purchase the synthetically leased properties, in June we commenced the process of exercising our purchase options. As a result, we completed the purchase of our headquarters property and two manufacturing facilities in the State of Alabama for approximately $103 million on June 28, 2005. The purchase of the second facility, for approximately $28 million, has not yet been completed.

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We also from time to time, enter into arrangements with suppliers or other parties that result in variable interest entities as defined by FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46). At December 31, 2004, we had one variable interest entity (VIE), which is a supplier to one of our U.S. facilities. Our arrangement with this supplier is to reimburse it for losses incurred related to materials supplied to us and to receive a refund for any profits that it makes as it relates to material supplied to us. This arrangement is in effect through 2007. In 2004, this VIE had sales of approximately $10 million, 69% of which were to Delphi. This supplier has approximately $4 million in assets and $4 million in liabilities; the latter of which include a loan of approximately $2.7 million from Delphi. This VIE does not have any other means of support other than Delphi. As required under FIN 46, we have consolidated this entity and eliminated all intercompany transactions. Given the nature of our relationship with this VIE, it is not possible to estimate the maximum amount of our exposure or the fair value. However, we do not expect such amounts, if any, to be material.

As of December 31, 2004, Delphi had minimum lease commitments under noncancelable operating leases totaling $507 million, which become due as follows:

Year	Minimum Future Operating Lease Commitments (in millions)
2005	140
2006	111
2007	84
2008	60
2009	42
Thereafter	70
Total	$ 507

Concentrations of Risk

The majority of our U.S. hourly workforce is represented by two unions, the UAW (approximately 72%) and the IUE-CWA (approximately 24%).

14. INVESTMENTS IN AFFILIATES

As part of our operations, we have investments in 21 non-consolidated affiliates. These affiliates, the most significant of which are Korea Delphi Automotive Systems Corporation, PBR Knoxville, LLC., Ambrake Corporation, and Promotora de Partes Electricas Automotrices, S.A. de C.V., are not publicly traded companies. Our affiliates are located primarily in Korea, China, U.S., Mexico, Japan, India, Spain, Saudi Arabia and Belgium. Our ownership percentages vary from approximately 20% to 50%. Our aggregate investment in non-consolidated affiliates was $496 million and $431 million at December 31, 2004 and 2003, respectively, and is included in other long-term assets.

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The following is a summary of the financial information for our significant affiliates accounted for under the equity method as of December 31, 2004 and 2003 and for the years ended December 31, 2004, 2003 and 2002:

	December 31,	
	2004	2003
	(in millions)	
Current assets	$ 1,043	$ 849
Noncurrent assets	778	736
Total assets	$ 1,821	$ 1,585
Current liabilities	$ 690	$ 592
Noncurrent liabilities	180	183
Stockholders Equity	951	810
Total liabilities and stockholders equity	$ 1,821	$ 1,585

	Year Ended December 31,		
	2004	2003	2002
	(in millions)		
Net sales	$ 2,584	$ 2,299	$ 2,041
Gross profit	$ 431	$ 406	$ 323
Net income (loss)	$ 193	$ 171	$ (16)

A summary of transactions with affiliates is shown below:

	Year Ended December 31,		
	2004	2003	2002
	(in millions)		
Sales to affiliates	$ 49	$ 37	$ 33
Purchases from affiliates	$ 493	$ 525	$ 486

15. OTHER INCOME (EXPENSE), NET

Other income (expense), net included:

	Year Ended December 31,		
	2004	2003	2002

	(in millions)		
Claims and commissions	$ 20	$ 27	$ 45
Interest income	24	22	19
Other, net	(52)	(43)	(55)
Other income (expense), net	$ (8)	$ 6	$ 9

16. STOCK INCENTIVE PLANS

Delphi has several plans under which it issues stock options and restricted stock units. While we have historically granted options to a broad group of employees, growing employee concern with regard to the incentive value of options that are significantly out-of-the-money and stockholder concern over potential dilution have caused us to modify our compensation philosophy going forward to decrease the use of options in favor of other forms of long-term compensation, including performance-based cash awards and restricted stock unit grants. During the fourth quarter of 2003, Delphi completed a self-tender for certain

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employee stock options having an exercise price in excess of $17 per share. The offer enabled eligible employees to exchange each stock option for a cash settled stock appreciation right (SAR) having an equivalent strike price, term and conditions to exercise as the surrendered option. The offer to exchange outstanding eligible options for cash-settled stock appreciation rights on a one-for-one basis enabled eligible employees to better align their outstanding incentive awards with our new compensation philosophy while at the same time preserving the value to the eligible employee of previously granted awards. The exchange did not result in the recognition of expense in 2003 because the fair market value of our stock was below the stock appreciation right exercise price. During the first quarter of 2003, we also cancelled approximately 20 million shares available for future grants under the terms of certain of Delphi s stock option plans. The table below indicates as a separate line item those stock options, which were exchanged as a result of the tender offer. As of December 31, 2004, there were approximately 25 million shares available for future grants. Options generally vest over two to three years and expire ten years from the grant date. Stock options granted during 2004, 2003 and 2002 were exercisable at prices equal to the fair market value of Delphi common stock on the dates the options were granted; accordingly, no compensation expense has been recognized for the stock options granted.

The following summarizes information relative to stock options:

	Stock Options (in thousands)	**Weighted Average Exercise Price**
Outstanding as of January 1, 2002	74,089	$ 15.42
Granted	12,373	$ 13.66
Exercised	(1,002)	$ 11.82
Forfeited	(961)	$ 16.74
Outstanding as of December 31, 2002	84,499	$ 15.18
Granted	12,338	$ 8.43
Exercised	(90)	$ 7.27
Forfeited	(1,955)	$ 14.19
Exchanged for SARs	(8,360)	$ 18.29
Outstanding as of December 31, 2003	86,432	$ 13.95
Granted	6,834	$ 10.02
Exercised	(203)	$ 8.57
Forfeited	(2,696)	$ 13.62
Outstanding as of December 31, 2004	90,367	$ 13.68
Options exercisable December 31, 2002	53,548	$ 16.16
Options exercisable December 31, 2003	62,721	$ 15.18
Options exercisable December 31, 2004	71,914	$ 14.60

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The following is a summary of the range of exercise prices for stock options that are outstanding and exercisable at December 31, 2004:

Approved by Stockholders

Range of Exercise Prices	Outstanding Stock Options (in thousands)	Weighted Average Remaining Life		Weighted Average Exercise Price	Number of Stock Options Exercisable (in thousands)		Weighted Average Exercise Price
$ 8.43 - $10.00	12,024	8.0	$	8.47	4,265	$	8.53
$10.01 - $20.00	53,196	5.8	$	13.53	42,502	$	14.09
$20.01 - $20.97	79	4.0	$	20.66	79	$	20.66
	65,299		$	12.61	46,846	$	13.60

Other Plans

Range of Exercise Prices	Outstanding Stock Options (in thousands)	Weighted Average Remaining Life		Weighted Average Exercise Price	Number of Stock Options Exercisable (in thousands)		Weighted Average Exercise Price
$ 9.55-$10.00	1	3.0	$	9.55	1	$	9.55
$10.01-$20.00	22,113	4.6	$	15.90	22,113	$	15.90
$20.01-$24.76	2,954	4.0	$	20.64	2,954	$	20.64
	25,068		$	16.46	25,068	$	16.46

During 2004, 2003, 2002 and 1999, Delphi awarded approximately 4.5 million, 3 million, 1 million and 3 million restricted stock units to employees at a weighted average fair market value of $10, $8, $14 and $17, respectively. Compensation expense related to restricted stock unit awards is being recognized over graded vesting periods of 1 to 15 years.

17. SEGMENT REPORTING

The accounting policies of the product sectors are the same as those described in the summary of significant accounting policies except that the disaggregated financial results for the product sectors have been prepared using a management approach, which is consistent with the basis and manner in which management internally disaggregates financial information for the purposes of assisting in making internal operating decisions. Generally, Delphi evaluates performance based on stand-alone product sector operating income and accounts for intersegment sales and transfers

as if the sales or transfers were to third parties, at current market prices. Net sales are attributed to geographic areas based on the location of the assets producing the revenues. Management s review of our sector operating results for 2004, 2003 and 2002 for purposes of making operating decisions and assessing performance excludes certain charges in 2004 of $123 million in cost of sales, $372 million in depreciation and amortization and $192 million in employee and product line charges (the 2004 Charges), certain charges in 2003 of $107 million in cost of sales, $58 million in depreciation and amortization and $396 million in employee and product line charges (the 2003 Charges), and the charges in the first quarter of 2002 of $37 million in cost of sales and $225 million in employee and product line charges (the 2002 Charges). Accordingly, we have presented our sector results excluding such amounts. Included below are sales and operating data for our sectors for years ended December 31, 2004, 2003, and 2002, which were realigned in 2004. The 2003 and 2002 data has been reclassified to conform with the current sector alignment. Also, during the fourth quarter of 2003, we changed our method of costing our inventories in the U.S. from the last-in, first-out (LIFO) method

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to the first-in, first-out (FIFO) method. In accordance with accounting principles generally accepted in the United States of America, all prior periods have been adjusted to give retroactive effect to this change.

2004:	Dynamics, Propulsion, Thermal & Interior	Electrical, Electronics & Safety	Automotive Holdings Group	Other(a)	Total
			(in millions)		
Net sales to GM and affiliates	$ 7,919	$ 6,032	$ 1,466	$	$ 15,417
Net sales to other customers	5,338	7,473	389	5	13,205
Inter-sector net sales	863	378	712	(1,953)	
Total net sales	$ 14,120	$ 13,883	$ 2,567	$ (1,948)	$ 28,622
Depreciation and amortization	$ 572(b)	$ 441(b)	$ 86(b)	$ 45	$ 1,144(b)
Sector operating (loss) income	$ (65)(c)	$ 955(c)	$ (590)(c)	$ (95)(c)	$ 205(c)
Equity income	$ 64	$ 21	$	$ 1	$ 86
Investment in affiliates	$ 285	$ 195	$	$ 16	$ 496
Goodwill	$ 421	$ 341	$	$ 36	$ 798
Sector assets	$ 8,815	$ 8,306	$ 759	$ (1,287)	$ 16,593
Capital expenditures	$ 440	$ 386	$ 55	$ 33	$ 914

2003:	Dynamics, Propulsion, Thermal & Interior	Electrical, Electronics & Safety	Automotive Holdings Group	Other(a)	Total
			(in millions)		
Net sales to GM and affiliates	$ 8,656	$ 6,554	$ 1,819	$	$ 17,029
Net sales to other customers	4,702	5,959	386	1	11,048
Inter-sector net sales	817	412	789	(2,018)	
Total net sales	$ 14,175	$ 12,925	$ 2,994	$ (2,017)	$ 28,077
Depreciation and amortization	$ 528(d)	$ 417(d)	$ 76(d)	$ 41	$ 1,062(d)
Sector operating income (loss)	$ 398(e)	$ 974(e)	$ (591)(e)	$ (131)(e)	$ 650(e)
Equity income (loss)	$ 62	$ 21	$	$ (1)	$ 82
Investment in affiliates	$ 243	$ 172	$	$ 16	$ 431
Goodwill	$ 463	$ 301	$	$ 9	$ 773
Sector assets	$ 10,503	$ 8,716	$ 2,282	$ (435)	$ 21,066
Capital expenditures	$ 553	$ 393	$ 85	$ 15	$ 1,046

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2002:	Dynamics, Propulsion, Thermal & Interior	Electrical, Electronics & Safety	Automotive Holdings Group	Other(a)	Total
			(in millions)		
Net sales to GM and affiliates	$ 9,061	$ 6,941	$ 2,092	$	$ 18,094
Net sales to other customers	4,271	4,855	423	(2)	9,547
Inter-sector net sales	867	241	1,035	(2,143)	
Total net sales	$ 14,199	$ 12,037	$ 3,550	$ (2,145)	$ 27,641
Depreciation and amortization	$ 478	$ 414	$ 87	$ 23	$ 1,002
Sector operating income (loss)	$ 433(f)	$ 920(f)	$ (378)(f)	$ (75)(f)	$ 900(f)
Equity income (loss)	$ 48	$ 21	$	$ (24)	$ 45
Investment in affiliates	$ 199	$ 171	$	$ 3	$ 373
Goodwill	$ 413	$ 278	$	$ 8	$ 699
Sector assets	$ 9,530	$ 7,448	$ 2,584	$ 130	$ 19,692
Capital expenditures	$ 493	$ 469	$ 113	$ 12	$ 1,087

(a) Other includes activity not allocated to the product sectors and elimination of inter-sector transactions.

(b) Excludes asset impairment charges recorded in 2004 of $372 million with $109 million for Dynamics, Propulsion, Thermal & Interior, $13 million for Electrical, Electronics & Safety, and $250 million for Automotive Holdings Group.

(c) Excludes the 2004 Charges of $194 million for Dynamics, Propulsion, Thermal & Interior, $91 million for Electrical, Electronics & Safety, $395 million for Automotive Holdings Group and $7 million for Other.

(d) Excludes asset impairment charges recorded in 2003 of $58 million with $1 million for Dynamics, Propulsion, Thermal & Interior, $6 million for Electrical, Electronics & Safety, and $51 million for Automotive Holdings Group.

(e) Excludes the 2003 Charges of $86 million for Dynamics, Propulsion, Thermal & Interior, $114 million for Electrical, Electronics & Safety, $319 million for Automotive Holdings Group and $42 million for Other.

(f) Excludes the 2002 Charges of $97 million for Dynamics, Propulsion, Thermal & Interior, $45 million for Electrical, Electronics & Safety, $104 million for Automotive Holdings Group and $16 million for Other.

A reconciliation between sector operating income and income (loss) before income taxes for each of the years presented is as follows:

	2004	2003	2002

	(in millions)		
Sector operating income(a)	$ 205	$ 650	$ 900
Interest expense	(232)	(211)	(210)
Other income (expense), net	(8)	6	9
(Loss) income before income taxes, minority interest, equity income and Charges(a)	$ (35)	$ 445	$ 699
Charges	(687)	(561)	(262)
(Loss) income before income taxes, minority interest, and equity income	$ (722)	$ (116)	$ 437

(a) Excludes the 2004, 2003, and 2002 Charges described above.

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Information concerning principal geographic areas is set forth below. Net sales data reflects the manufacturing location and is for the years ended December 31. Net property data is as of December 31.

	Year Ended December 31,											
	2004				2003				2002			
	Net Sales				Net Sales				Net Sales			
	GM	Other Customers	Total	Net Property	GM	Other Customers	Total	Net Property	GM	Other Customers	Total	Net Property
	(Dollars in millions)											
North America	$ 13,724	$ 5,909	$ 19,633	$ 3,439	$ 15,481	$ 4,957	$ 20,438	$ 4,071	$ 16,761	$ 4,712	$ 21,473	$ 4,138
Europe, Middle East, & Africa	1,286	6,020	7,306	1,998	1,222	4,960	6,182	1,906	1,056	3,992	5,048	1,661
Asia Pacific	97	1,001	1,098	376	101	944	1,045	301	81	691	772	288
South America	310	275	585	133	225	187	412	121	196	152	348	92
Total	$ 15,417	$ 13,205	$ 28,622	$ 5,946	$ 17,029	$ 11,048	$ 28,077	$ 6,399	$ 18,094	$ 9,547	$ 27,641	$ 6,179

On December 10, 2004, we announced that we are moving three additional manufacturing operations into the company s Automotive Holdings Group (AHG) to accelerate efforts to bring these sites back to profitability or resolve issues at these operations through other actions. AHG was established to increase Delphi management focus on one operating sector to resolve under-performing product lines or sites, while enabling management of other operating sectors to focus on growth and expansion. The additional operations named to Delphi s AHG include: Laurel, Mississippi; Kettering, Ohio; and Home Avenue/ Vandalia, Ohio. These moves are effective January 1, 2005. Delphi continues to study other sites for inclusion in AHG.

The realignment is designed to increase focus on products and services for the greatest long-term benefit for Delphi while at the same time placing an equal focus on businesses requiring additional management attention. It is a further step in the implementation of our long-term portfolio plans. We will report our segment information based on the realigned sectors starting in the first quarter of 2005.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGING ACTIVITIES

Delphi s financial instruments include long-term debt. The fair value of long-term debt is based on quoted market prices for the same or similar issues or the current rates offered to Delphi for debt with the same or similar maturities and terms. As of December 31, 2004 and 2003, the total of long-term debt and junior subordinated notes due to Trust I and Trust II was recorded at $2.5 billion and $2.6 billion, respectively, and had estimated fair values of $2.5 billion and $2.7 billion for the years ended December 31, 2004 and 2003, respectively. For all other financial instruments recorded at December 31, 2004 and 2003, fair value approximates book value.

SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, requires that all derivative instruments be reported on the balance sheet at fair value with changes in fair value reported currently through earnings unless the transactions qualify and are designated as normal purchases or sales or meet special hedge

accounting criteria. The fair value of foreign currency and commodity derivative instruments are determined using exchange traded prices and rates.

Delphi is exposed to market risk, such as fluctuations in currency exchange rates, commodity prices and changes in interest rates, which may result in cash flow risks. To manage the volatility relating to these exposures, we aggregate the exposures on a consolidated basis to take advantage of natural offsets. For exposures that are not offset within our operations, we enter into various derivative transactions pursuant to our risk management policies. Designation is performed on a transaction basis to support hedge accounting. The changes in fair value of these hedging instruments are offset in part or in whole by corresponding changes in the fair value or cash flows of the underlying exposures being hedged. We assess the initial and ongoing effectiveness of our hedging relationships in accordance with our documented policy. We do not hold or issue derivative financial instruments for trading purposes.

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Delphi has foreign currency exchange exposure from buying and selling in currencies other than the local currencies of our operating units. The primary purpose of our foreign currency hedging activities is to manage the volatility associated with forecasted foreign currency purchases and sales. Principal currencies hedged include the Mexican peso, Polish zloty, Chinese yuan, Hungarian forint, Singapore dollar, Canadian dollar, Japanese yen, and Euro. We primarily utilize forward exchange contracts with maturities of less than 24 months, which qualify as cash flow hedges.

Delphi has exposure to the prices of commodities in the procurement of certain raw materials. The primary purpose of our commodity price hedging activities is to manage the volatility associated with these forecasted inventory purchases. We primarily utilize swaps and options with maturities of less than 24 months, which qualify as cash flow hedges. These instruments are intended to offset the effect of changes in commodity prices on forecasted inventory purchases.

In order to manage the interest rate risk associated with our debt portfolio, we periodically enter into derivative transactions to manage our exposure to changes in interest rates, although we do not have any outstanding at December 31, 2004 and 2003.

The fair value of derivative financial instruments as of December 31, 2004, 2003 and 2002 included current and non-current assets of $99 million, $58 million, and $11 million, respectively and current and non-current liabilities of $43 million, $55 million, and $63 million, respectively. Gains and losses on derivatives qualifying as cash flow hedges are recorded in other comprehensive income (OCI) to the extent that hedges are effective until the underlying transactions are recognized in earnings. Net gains included in OCI as of December 31, 2004, were $73 million after-tax ($91 million pre-tax). Of this pre-tax total, a gain of approximately $80 million is expected to be included in cost of sales within the next 12 months and a gain of approximately $6 million is expected to be included in subsequent periods. A loss of approximately $2 million is expected to be included in depreciation and amortization expense over the lives of the related fixed assets and a gain of approximately $7 million is expected to be included in interest expense over the term of the related debt. The unrealized amounts in OCI will fluctuate based on changes in the fair value of open hedge derivative contracts at each reporting period. Net gains of $35 million after-tax ($52 million pre-tax) and net losses of $11 million after-tax ($16 million pre-tax) were included in OCI as of December 31, 2003 and 2002, respectively. Cash flow hedges are discontinued when it is probable that the original forecasted transactions will not occur. The amount included in cost of sales related to hedge ineffectiveness was not significant. The amount included in cost of sales related to the time value of options was not significant in 2004 and 2003, and $6 million in 2002.

19. SUBSEQUENT EVENTS

Several events have occurred subsequent to December 31, 2004 that, although they do not impact the reported balances or results of operations as of that date, are material to the Company s ongoing operations. Those items include: the completion of our refinancing plan in June 2005 as described more fully in Note 10 Debt; amendments to the U.S. Asset Securitization program completed in March 2005 and June 2005 as described more fully in Note 5 Asset Securitizations; shareholder and derivative lawsuits initiated in early 2005 as described more fully in Note 13 Commitments and Contingencies; changes to U.S. salaried employees health care benefits implemented in March 2005 as described more fully in Note 12 Pension and Other Postretirement Benefits; and purchases of certain previously leased facilities in June 2005 as described more fully in Note 13 Commitments and Contingencies. In addition, the Company contributed $0.6 billion to its defined benefit pension plan in the second quarter of 2005. Finally, the Company has signed a non-binding letter of intent to sell its global lead-acid battery business, comprised of assets totaling approximately $175 million.

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20. QUARTERLY DATA (UNAUDITED)

The following quarterly financial information for the quarters ended March 31, June 30, and September 30, 2004 and for each of the quarters in the year ended December 31, 2003 has been restated from amounts originally reported to give effect to the restatement of Delphi s financial statements as discussed elsewhere in this Annual Report. Contemporaneously with the filing of this Annual Report, Delphi has filed amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31, 2004 and June 30, 2004 that include restated financial statements for those periods. Delphi has also filed its Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 that includes financial statements that differ from those included in Delphi s Current Report on Form 8-K dated October 18, 2004. Please refer to the above noted quarterly reports for further information as to the effects of the restatement on Delphi s originally reported interim financial information for 2004 and 2003.

	Three Months Ended				
	March 31,	June 30,	Sept. 30,	Dec. 31,	Total
	(in millions, except per share amounts)				
2004					
Net sales	$ 7,405	$ 7,542	$ 6,642	$ 7,033	$ 28,622
Cost of sales	6,564	6,607	6,065	6,561	25,797
Gross profit	$ 841	$ 935	$ 577	$ 472	$ 2,825
Net income (loss)	$ 63	$ 143	$ (119)	$ (4,840)	$ (4,753)
Basic and diluted earnings per share	$ 0.11	$ 0.25	$ (0.21)	$ (8.63)	$ (8.47)
Cash dividends declared per share	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.28
Common stock price					
High	$ 11.78	$ 11.01	$ 10.69	$ 9.63	$ 11.78
Low	$ 9.39	$ 9.55	$ 8.61	$ 8.10	$ 8.10
2003					
Net sales	$ 7,177	$ 7,091	$ 6,558	$ 7,251	$ 28,077
Cost of sales	6,321	6,209	5,956	6,390	24,876
Gross profit	$ 856	$ 882	$ 602	$ 861	$ 3,201
Net income (loss)	$ 124	$ 106	$ (303)	$ 63	$ (10)
Basic and diluted earnings per share	$ 0.22	$ 0.19	$ (0.54)	$ 0.11	$ (0.02)
Cash dividends declared per share	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.28
Common stock price					
High	$ 9.40	$ 9.92	$ 9.76	$ 10.30	$ 10.30
Low	$ 6.39	$ 6.70	$ 7.85	$ 8.10	$ 6.39

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DELPHI CORPORATION
SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
			(in millions)		
December 31, 2004:					
Allowance for doubtful accounts	$ 92	$ 57	$ (3)	$ (55)	$ 91
December 31, 2003:					
Allowance for doubtful accounts	$ 83	$ 52	$ 10	$ (53)	$ 92
December 31, 2002:					
Allowance for doubtful accounts	$ 87	$ 57	$ 15	$ (76)	$ 83

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer (the CEO) and Acting Chief Financial Officer (the CFO), we have evaluated the effectiveness of design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2004. The basis for this determination was that, as discussed below, we have identified material weaknesses in our internal control over financial reporting, which we view as an integral part of our disclosure controls and procedures.

Management s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) and includes those policies and procedures that: (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company s assets that could have a material effect on the financial statements.

Our management assessed our internal control over financial reporting as of December 31, 2004, the end of our fiscal year. Management based its assessment on criteria set forth in the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

A material weakness is a control deficiency, or combination of control deficiencies, that result in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. Management s assessment concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2004 as a result of the following identified material weaknesses:

- Insufficient numbers of personnel having appropriate knowledge, experience and training in the application of GAAP at the divisional level, and insufficient personnel at the Company s headquarters to provide effective oversight and review of financial transactions;

- Ineffective or inadequate accounting policies to ensure the proper and consistent application of GAAP throughout the organization;

- Ineffective or inadequate controls over the administration and related accounting treatment for contracts; and

- Ineffective tone within the organization related to the discouragement, prevention or detection of management override, as well as inadequate emphasis on thorough and proper analysis of accounts and financial transactions.

These control deficiencies contributed to the need to restate the Company s financial statements. As further described in Item 7. Management s Discussion and Analysis of Financial Condition and Results of

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Operations Restatement and Conclusion of Audit Committee Internal Investigation, the impact of the restatement on the financial statements as of December 31, 2004 was to reduce the originally reported beginning retained earnings balance by $243 million, in addition to other adjustments identified and recorded during the course of preparing financial statements. Accordingly, management determined that these control deficiencies represent material weaknesses. Because of the existence of these material weaknesses, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2004, based on the criteria in the *Internal Control Integrated Framework* .

Management has discussed the material weaknesses described above and related corrective actions with the Audit Committee and our independent registered public accounting firm. Our independent registered public accounting firm, Deloitte & Touche LLP, has audited management s assessment of our internal control over financial reporting. Deloitte & Touche LLP has issued an attestation report, which is included under Item 8. Financial Statements and Supplementary Data Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

As discussed above, we have identified material weaknesses in our internal control over financial reporting. Although we have not fully remediated the material weaknesses as of December 31, 2004, we have made and will continue to make, improvements to our policies and procedures as well as to the staffing of positions which play a significant role in internal control to address these material weaknesses. The following provides further details regarding each material weakness identified above and the remedial actions taken and planned as of the date of this report.

Insufficient numbers of personnel having appropriate knowledge, experience and training in the application of GAAP at the divisional level, and insufficient personnel at the Company s headquarters to provide effective oversight and review of financial transactions

The Company s controls over the selection and application of GAAP are ineffective as a result of insufficient resources and technical accounting expertise within the organization to resolve accounting matters in a timely manner. Furthermore, accounting for transactions is performed across multiple business units and functions that are not adequately staffed or are staffed with individuals that do not have the appropriate level of GAAP knowledge. Due to the pervasiveness of this material weakness, many of the restatement items (as discussed in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Restatement and Conclusion of Audit Committee Internal Investigation) resulted from the inappropriate selection of, misapplication, or inadequate consideration of GAAP by Delphi accounting personnel. Additional personnel and oversight is needed at the Company s headquarters to review the accounting for transactions to ensure compliance with GAAP.

Management is increasing the number of qualified accountants on the global accounting staff by actively recruiting additional certified public accountants to increase the knowledge of accounting and strengthen internal controls within the Company. Management has committed to providing the finance staff with additional support and training in order to enable them to identify unusual or complex transactions requiring further consideration by technical accounting experts or others within the organization. To address this material weakness until such time as management can recruit and train additional staff members, management has determined the following additional procedures will be performed:

- More transactions will be reviewed by the chief accounting officer rather than at the business unit or function, particularly those which deviate from previously reviewed or standard terms and conditions;

- Management will strengthen its review of the documentation supporting the accounting for transactions; and

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External experts will be utilized, when deemed necessary, to assist in evaluating transactions as well as preparing and reviewing the appropriate supporting documentation.

Ineffective or inadequate accounting policies to ensure the proper and consistent application of GAAP throughout the organization

The Company s accounting policies were inadequate or insufficiently comprehensive to ensure proper and consistent application throughout the organization. This resulted in adjustments, which were material to the consolidated financial statements as of December 31, 2004. Such adjustments included inappropriate timing of income related to credits, rebates, or other lump-sum payments from suppliers, under and over-recorded liabilities related to various services provided to the Company, inappropriate adjustment (or lack of adjustment) to significant estimates within the financial statements, and misclassification of amounts within financial statement captions. A contributing factor was the lack of sufficient detail or clarity of existing policies to enable their proper application.

In the fourth quarter of 2004, management adopted and distributed new policies to be applied in accounting for vendor rebates, credits and other lump-sum payments. Management has also revised its policies and procedures related to period-end accruals. Management conducted training sessions with the finance staff of each division to review these policies and to increase sensitivity and focus on the issues covered by the new policies and continues to monitor their implementation. Delphi has also initiated a project to review and update other accounting policies, establish written policies for areas where such polices do not exist and has engaged third party experts in accounting to assist in this effort. Management will continue to conduct training sessions throughout the organization to explain each of its policies and procedures adopted and require that accounting conclusions, assumptions and estimates are documented and supported by such accounting polices or relevant accounting literature in accordance with GAAP. Management will assess the effectiveness of the Company s adherence to the accounting polices through ongoing monitoring activities.

Ineffective or inadequate controls over the administration and related accounting for contracts

The Company does not have effective controls related to the administration and accounting for contracts. In particular, the Company does not have adequate controls to identify and analyze the terms and conditions, both written and unwritten, of new contracts, or procedures to identify, analyze, and properly record the impact of amendments, supplement letters, or other agreements related to existing contracts. As a result, transactions related to supplier and royalty agreements were not accounted for in accordance with GAAP, resulting in material adjustments to the consolidated financial statements as of December 31, 2004.

Management is in the process of adopting formal contract administration procedures and will require consistent application throughout the organization. Management intends to document its contract administration procedures and periodically evaluate and test such procedures to prevent recurrences of the issues identified above. Although some areas in the organization have revised their contract administration procedures, best practices will be adopted throughout the organization. For example, changes were implemented in the second half of 2004 with respect to the administration of contracts for information technology services. These changes include the implementation of a contract administration procedure that requires documentation by finance, legal and information technology services that the contracts have been reviewed, including a summary of all pertinent transaction terms. Management is currently in the process of formalizing a broader contract administration review process that would extend beyond the information technology area. In addition, management has conducted and will continue to provide training throughout the organization to communicate the importance of documenting the economic substance and course of dealings related to the transaction, including any related amendments or correspondence between the parties, to facilitate the appropriate accounting for the transaction.

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Ineffective tone within the organization related to the discouragement, prevention or detection of management override, as well as inadequate emphasis on thorough and proper analysis of accounts and financial transactions

The principal instances of management override that evidenced a material weakness occurred prior to 2002 and notably, before the Company began the implementation and documentation of more stringent disclosure controls and procedures and the detailed assessment of its internal controls over financial reporting as required by the Sarbanes-Oxley Act. Since such period, the Company s controls and procedures have strengthened. Despite such strengthening, which we believe will assist in detecting and preventing future incidents of this nature, we believe further action is needed to foster a culture that encourages those with concerns of management override to bring those to the prompt attention of management, whether directly or through the Company s ethics line, so that those concerns can be evaluated and appropriate action taken. The principal remedial action taken to address this aspect is to ensure that those at the top not only set the right tone but also understand that they will be held personally accountable for the failure to foster an environment that encourages those with concerns to present them and to elevate and address those concerns constructively within the organization. Management has already begun putting together training programs and presentations to be disseminated throughout the organization, starting with the top executive officers, to instill lessons learned from the Audit Committee s investigation as well as management s assessment of internal controls, including clearly outlining the review and consultation protocol for non-routine transactions.

Specific actions that have taken place since 2002 include:

Over the course of 2002, Delphi hired a new chief accounting officer and controller, a new vice president of purchasing, a full time in-house securities counsel and began transitioning to a new chief information officer. We believe each of these actions contributed to a strengthening of our internal controls. The chief accounting officer and controller oversaw the implementation of the Company s disclosure controls and procedures, including the formation of a disclosure committee. These procedures have increased involvement of the Company s functional and divisional heads, including the legal staff, in the financial reporting process, to assure that our quarterly and annual SEC filings fairly present Delphi s financial position, results of operations and cash flows.

In the third quarter of 2002, Delphi established a disclosure committee to ensure that accounting policies are properly applied, that financial information disclosed is complete, informative and properly reflects the underlying substance of transactions and events, and when necessary, additional disclosure is presented to provide investors with a materially accurate and complete picture of the Company s financial condition, results of operations and cash flows.

In March 2002, the effectiveness of the internal audit function was enhanced by appointing an officer of the Company and member of the Delphi Strategy Board to lead the internal audit staff. In addition, the Audit Committee recently determined that the vice president of Delphi s corporate audit services shall serve as the Company s Chief Compliance Officer with a dotted line reporting relationship directly to the Audit Committee. On June 9, 2005, this officer was appointed vice president and treasurer and a search for his replacement as vice president of Delphi s corporate audit services is ongoing.

In the second quarter of 2003, the Board of Directors designated the Audit Committee as the Company s Qualified Legal Compliance Committee in order that the general counsel and other legal staff members of the Company could expeditiously report any concerns they had regarding compliance, including management s compliance with federal securities laws, directly to the Audit Committee.

In the third quarter of 2004, management designed a new quarterly control involving an independent review by the internal audit staff of top-side corporate level journal entries specifically aimed at detecting management override. In addition, Delphi recently increased the

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emphasis placed on the importance of documenting accounting decisions and review of journal entries by both the finance and internal audit staff.

Management recognizes that many of the remedial actions it has taken or will take require continuous monitoring and evaluation for effectiveness, which will depend on maintaining a strong internal audit function. Until such time as the Company is able to identify a suitable replacement to lead its internal audit function, it will look to external experts to supplement its existing staff. Finally, the Company s disclosure and financial reporting practices have responded to the increased disclosure requirements of the SEC, particularly the revised guidance regarding materiality and the focus on qualitative as well as quantitative factors in making such determinations, increased focus on disclosure of commitments and contingencies, including off-balance sheet financings, and a more stringent focus on the economic substance of transactions and relationships between parties in making decisions regarding the application of accounting policies and standards. This has been an evolving and iterative process and will continue as the Company evaluates its internal control over financial reporting and its disclosure controls and procedures.

* * * *

Delphi recognizes that the tone at the top of the organization is a key entity-level control in any organization, particularly in terms of preventing or detecting management override. Management has proactively communicated the importance of strong entity-level controls, particularly those related to tone at the top, to all levels of the organization and reinforced the importance of integrating them into every aspect of the Company s operations, processes and culture.

Management and the Board of Directors will continuously consider whether additional changes in reporting relationships and responsibilities would strengthen the Company s internal controls. As part of its quarterly review and annual assessment of internal controls over financial reporting and disclosure controls and procedures, the Company will continue to strive to strengthen and improve its controls.

Management will review progress on these activities on a consistent and ongoing basis at the CEO level, across the senior management team and in conjunction with our Board of Directors. Management also plans on taking additional steps to elevate company awareness and communications of these important issues through formal channels such as company meetings, departmental meetings and training.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT
DIRECTORS

The names, ages and other positions with Delphi, if any, as of May 31, 2005 of each director are listed below.

Name	Age	Position	Term
J.T. Battenberg III	62	Chairman; CEO	since 1999
Robert H. Brust	61	Director	since 2001
Virgis W. Colbert	65	Director	since 1999
Oscar de Paula Bernardes Neto	58	Director	since 1999
David N. Farr	50	Director	since 2002
Dr. Bernd Gottschalk	61	Director	since 2000
Shoichiro Irimajiri	65	Director	since 1999
Craig G. Naylor	56	Director	since 2005
Cynthia A. Niekamp	46	Director	since 2003
Rodney O Neal	51	President & COO	since 2005
John D. Opie	67	Director	since 1999

Mr. Battenberg has led Delphi and its predecessor, the GM Automotive Components Group Worldwide (ACG Worldwide) since 1992. Mr. Battenberg is on the Board of Trustees of Kettering University, Columbia University Business School and the National Advisory Board for J.P. Morgan Chase & Co. He is also a member of the Business Roundtable and Chairman of its Fiscal Policy Task Force, the Business Council Executive Committee, the Group of 100, Economic Club of Detroit and FIRST (For Inspiration and Recognition of Science and Technology).

Other Directorships: Sara Lee Corporation.

Mr. Brust was named Chief Financial Officer and Executive Vice President of Eastman Kodak Company, effective January 3, 2000. Prior to joining Eastman Kodak Company, Mr. Brust was Senior Vice President and Chief Financial Officer of Unisys Corporation. He joined Unisys Corporation in 1997, where he directed the company s financial organization, including treasury, control, tax, information systems, mergers and acquisitions, strategy, procurement, and investor relations. He is a member of The Conference Board Council of Financial Executives. Before working at Unisys Corporation, he spent 31 years at General Electric Company. Mr. Brust is Chairman of the Audit Committee of Delphi s Board of Directors.

Mr. Colbert was appointed Executive Vice President for Miller Brewing Company in July 1997. He has held several manufacturing and production positions since joining Miller in 1979. He is the former Chairman of the Board of Trustees of Fisk University. Mr. Colbert is Chairman of the Compensation and Executive Development Committee of Delphi s Board of Directors.

Other Directorships: The Manitowoc Company, Inc., The Stanley Works.

Mr. Bernardes is the Senior Partner and Chairman of LID Group. He was Chief Executive Officer of Bunge International from 1996 to 1999. Before joining Bunge, Mr. Bernardes was a senior partner with Booz Allen & Hamilton. He also has over 15 years of consulting experience, including several projects related to the automotive industry in South America. Mr. Bernardes is a member of the Corporate Governance and Public Issues Committee of Delphi s Board of Directors, and previously served as a member of the Audit Committee of Delphi s Board of Directors.

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Other Directorships: Bunge Brasil S.A., Gerdau S.A., Johnson Electric Holdings Ltd., Companhia Suzano de Papel e Celulose.

Mr. Farr was named CEO of Emerson in October 2000 and was elected to the additional position of Chairman of the Board in September 2004. He joined Emerson in 1981. Mr. Farr is a member of the Business Council and the Civic Progress Group of St. Louis, Missouri. He is also a member of the Webster University Board of Trustees and the Municipal Theatre Association of St. Louis. Mr. Farr is Chairman of the Corporate Governance and Public Issues Committee of Delphi s Board of Directors.

Other Directorships: Emerson Electric Co.

Dr. Bernd Gottschalk has been President of the Association of the German Automotive Industry since 1996. Previously, Dr. Gottschalk worked at Mercedes-Benz AG since 1972 in various positions, such as plant manager in Mannheim and President of Mercedes-Benz do Brasil in São Paulo. As a member of the Board of Management of Mercedes-Benz AG, he was responsible for the company s worldwide commercial vehicle business. Dr. Gottschalk is a member of the Corporate Governance and Public Issues Committee of Delphi s Board of Directors.

Other Directorships: Fuchs Petrolub AG, J.M. Voith AG, Hoffmann La Roche Grenzach AG Germany, Thyssen Krupp Automotive AG.

Mr. Irimajiri held various positions within Sega Enterprises, Ltd. including President and Representative Director for Sega from 1994 to 2000. Before joining Sega, Mr. Irimajiri had been an Executive Vice President at Honda Co. Ltd. since 1990. He had been associated with Honda since 1963. Mr. Irimajiri is also Chairman of Asahi Tec Corporation. Mr. Irimajiri is a member of the Corporate Governance and Public Issues Committee of Delphi s Board of Directors.

Other Directorships: Happinet Corporation, Asahi Tec Corporation.

Mr. Naylor was named Group Vice President, DuPont Electronic & Communication Technologies in March 2004. Prior to that position, Mr. Naylor served as Group Vice President, Asia Pacific from January 2004, as Group Vice President DuPont Performance Materials from 2002 to 2004, and as Group Vice President and GM, Engineering Polymers, Fluoroproducts and Packaging & Industrial Polymers from 2000 to 2002. He joined E.I. du Pont de Nemours and Company in 1970. Mr. Naylor is a member of the Compensation and Executive Development Committee of Delphi s Board of Directors.

Ms. Niekamp was named President & General Manager, TorqTransfer Systems, Vice President, BorgWarner, Inc. in July 2004. Ms. Niekamp previously served as Senior Vice President and Chief Financial Officer of MeadWestvaco Corporation. Prior to that position, Ms. Niekamp served as Senior Vice President and was responsible for corporate strategy as well as the company s Specialty Chemical and Specialty Paper businesses. She joined The Mead Corporation in 1995 as Vice President, Corporate Strategy and Planning. In 1998, she was named President of the Mead Specialty Paper division. Prior to joining Mead, Ms. Niekamp held several positions with TRW, including Managing Director of TRW Transportation Systems, Director of Operations for TRW Technar Automotive Sensor Operations and Vice President, Planning and Development for the Engine and Aftermarket Group. Ms. Niekamp is a member of the Audit Committee of Delphi s Board of Directors.

Mr. O Neal was named President and Chief Operating Officer of Delphi Corporation effective January 7, 2005. Prior to that position Mr. O Neal served as President of the Dynamics, Propulsion and Thermal sector effective January 1, 2003. This sector was realigned effective January 1, 2004 and is now the Dynamics, Propulsion, Thermal & Interior sector. He assumed additional responsibility for Europe and South America in January 2004. He had been Executive Vice President of Delphi and President of the former Safety, Thermal and Electrical Architecture sector since January 2000. Previously, he had been Vice President and President of Delphi Interior Systems since November 1998 and General Manager of the former Delphi Interior & Lighting Systems since May 1997. He is a member of the Executive Leadership Council.

Other Directorships: Goodyear Tire & Rubber Company.

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Mr. Opie is the former Vice Chairman of the Board and Executive Officer for General Electric Company. He had been associated with General Electric Company since 1961 in numerous management positions, including Vice President of the Lexan and Specialty Plastics Divisions, President of the Distribution Equipment Business Division and President of General Electric Company s Lighting Business from 1986 to 1995. He also is a Life Trustee of Michigan Tech. University. Mr. Opie is Lead Independent Director of Delphi s Board of Directors and is an ex officio member of the Audit Committee, the Compensation and Executive Development Committee and the Corporate Governance and Public Issues Committee of Delphi s Board of Directors.

Other Directorships: Wal-Mart.

EXECUTIVE OFFICERS

The information required by Item 10 regarding executive officers appears as the Supplementary Item in Part I.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee of the Board of Directors is a separately designated standing committee. During 2004, the Audit Committee was composed of four individuals, including the Chairman, Robert H. Brust, Cynthia A. Niekamp, Oscar De Paula Bernardes Neto and John D. Opie, ex officio, each of whom is independent as that term is used in section 10A(m)(3) of the Exchange Act. The Board of Directors has determined that Mr. Brust, presently the Chief Financial Officer and an Executive Vice President of Eastman Kodak Company and previously the Chief Financial Officer and a Senior Vice President of Unisys Corporation, both publicly traded global manufacturing companies; and Ms. Niekamp, President & General Manager, TorqTransfer Systems, Vice President, BorgWarner, Inc. and previously the Chief Financial Officer and a Senior Vice President of MeadWestvaco, both publicly traded global manufacturing companies, are each an audit committee financial expert as defined in section 3(a)(58) of the Exchange Act and the related rules of the Commission. In addition, the Board of Directors has determined that Messrs. Opie and Bernardes each have significant experience in reviewing, understanding and evaluating financial statements and is financially literate, as such term has been defined by the listing standards of the New York Stock Exchange. The Committee operates under a written charter, which is available for review on Delphi s Internet site (*www.delphi.com*). In February of 2005, Mr. Bernardes was reassigned from the Audit Committee to the Corporate Governance and Public Issues Committee, with the result that the Audit Committee is presently composed of three individuals.

NOMINATION TO BOARD OF DIRECTORS

The Corporate Governance and Public Issues Committee of the Board of Directors considers stockholder suggestions for nominees for directors. There have been no changes in the procedures by which shareholders may recommend nominees to the Board of Directors.

SECTION 16(b)

Based solely on a review of filings, all persons subject to the reporting requirements of Section 16(b) filed the required reports on a timely basis for the fiscal year ended 2004.

CODE OF ETHICS

Delphi has adopted a written code of ethics, The Delphi Foundation for Excellence, a Guide to Representing Delphi with Integrity, which is applicable to all Delphi directors, officers and employees, including the Company s chief executive officer, chief financial officer, and principal accounting officer and controller and other executive officers identified pursuant to this Item 10 (collectively, the Selected Officers). In accordance with the Commission s rules and regulations a copy of the code, as amended, was filed as an exhibit to this report and is posted on our website. Delphi intends to disclose any changes in or waivers from its code of ethics applicable to any Selected Officer or director on its website at www.delphi.com.

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ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The table below shows compensation information for J. T. Battenberg III, who served as our chief executive officer in 2004, and our four next highest paid executive officers as of the end of 2004. None of the executive officers named in the Summary Compensation Table received an increase in base salary during 2004. Mr. Battenberg s 2004 salary, as reported below, reflects the full year impact of the increase he received in 2003.

					Long-Term Compensation			
					Awards		Payouts	
		Annual Compensation						
Name and Principal Position(1)	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)(2)	Restricted Stock Unit Awards ($)(3)	Securities Underlying Options (#)	Long-Term Incentive Payouts ($)(4)	All Other Compensation ($)(5)
J. T. Battenberg III	2004	1,700,000	0	115,887	1,889,271	838,000	0	51,466
Chairman of the	2003	1,675,000	0	107,477	1,213,920	960,000	732,000	52,213
Board and Chief	2002	1,600,000	2,100,000	93,682	2,100,000	605,882	945,000	16,458
Executive Officer								
Donald L. Runkle	2004	1,000,000	0	n/a	633,515	281,000	0	16,624
	2003	1,000,000	0	76,586	385,673	305,000	340,000	19,249
	2002	950,000	765,000	69,599	800,000	174,191	472,500	0
Alan S. Dawes	2004	960,000	0	n/a	633,515	281,000	0	15,960
	2003	960,000	0	n/a	385,673	305,000	320,000	18,480
	2002	850,000	800,000	n/a	800,000	166,618	425,250	0
Rodney O Neal	2004	860,000	0	n/a	613,224	272,000	0	14,296
Director, President	2003	860,000	0	62,165	373,028	295,000	280,000	16,553
and Chief Operating	2002	725,000	760,000	53,596	775,000	151,471	378,000	0
Officer								
David B. Wohleen	2004	825,000	0	n/a	613,224	272,000	0	13,714
Vice Chairman	2003	825,000	0	n/a	373,028	295,000	280,000	15,880
	2002	700,000	740,000	n/a	750,000	151,471	378,000	0

Notes

(1) The titles noted above are the officers current titles. Prior to January 7, 2005 the titles were as follows: J. T. Battenberg III, Chairman, Chief Executive Officer and President; Donald L. Runkle, Vice Chairman Enterprise

Technologies; Alan S. Dawes, Vice Chairman and Chief Financial Officer; Rodney O Neal, President, Dynamics, Propulsion and Thermal sector; David B. Wohleen, President, Electrical, Electronics, Safety & Interior sector. As previously announced Mr. Runkle is retiring from the Company effective July 1, 2005. Mr. Dawes resigned from the Company effective March 4, 2005.

(2) This amount includes benefits from the use of corporate transportation in 2004, including compensation to the individuals for personal use by the executive and the executive s family of company aircraft. The amount included for personal use of the company aircraft represents the amount imputed to them as compensation for federal income tax purposes ($61,079 for Mr. Battenberg and negligible amounts for each of the other named executive officers). The executive security program approved by our Board of Directors requires that Mr. Battenberg, as Chairman use company aircraft for personal as well as business travel. We believe this requirement is for the company s benefit rather than a personal benefit or perquisite to the executives and therefore we have not included the incremental cost of such transportation in the above table. We allow the other named executive officers limited personal use of the aircraft at a personal expense to them. The incremental cost to the company of providing each the following named executives with use of the aircraft for personal transportation is J. T. Battenberg III $206,264; Donald L. Runkle $52,880; Alan S. Dawes $74,071; Rodney O Neal $35,684; David B. Wohleen $7,975.

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(3) Shows value of restricted stock units granted on May 7, 2004 as of the date of grant. The market value of the shares represented by total restricted stock units held on and as of December 31, 2004, is reflected in the 2004 column of the table below. Additional restricted stock units vested, as indicated below, on January 3, 2005 and have been included in the Shares Beneficially Owned column of the Stock Ownership of Management and More Than 5% Stockholders table in this Form 10-K. Listed below are the total number of shares represented by all restricted stock units, by year, allocated to the named executive officers as of December 31, 2004, including dividend equivalents, and the market values of such shares (based on the closing price of our common stock on the New York Stock Exchange as of December 31, 2004).

	2002		2003		2004		Total RSU Grants	
Named Executive	**Balance**	**Mkt. Value**	**Balance**	**Mkt. Value**	**Balance**	**Mkt. Value**	**Balance**	**Mkt. Value**
J. T. Battenberg III	126,058	$ 1,137,043	100,373	$ 905,364	191,541	$ 1,727,700	417,972	$ 3,770,107
Donald L. Runkle	48,023	$ 433,167	31,890	$ 287,648	64,228	$ 579,337	144,141	$ 1,300,152
Alan S. Dawes	48,023	$ 433,167	31,890	$ 287,648	64,228	$ 579,337	144,141	$ 1,300,152
Rodney O Neal	46,522	$ 419,628	30,844	$ 278,213	62,171	$ 560,782	139,537	$ 1,258,624
David B. Wohleen	45,021	$ 406,089	30,844	$ 278,213	62,171	$ 560,782	138,036	$ 1,245,085

The vesting schedule for restricted stock units granted in 2002 is as follows: 25% on January 2, 2003, 25% on January 3, 2005 and 50% on January 2, 2017 or at retirement, whichever occurs earlier. The vesting schedule for restricted stock units granted in 2003 is as follows: one-third on April 26, 2004, one-third on April 24, 2006 and one-third on April 24, 2008. The vesting schedule for restricted stock units granted in 2004 is as follows: one-third on May 7, 2007, one-third on May 7, 2008 and one-third on May 7, 2009.

(4) Reflects long-term incentive payouts as follows:

Under the Delphi Corporation Performance Achievement Plan, which was replaced by the Long-Term Incentive Plan in 2004. Performance Periods 2000-2002, 2001-2003, and 2002-2004. For the 2001-2003 plan, in conjunction with the Compensation Committee s review of Delphi s strategic business plan and management s performance over the preceding three years, the Committee noted continued progress toward the strategic goals, further customer diversification, strong operating cash flow and the Company s maintenance of an investment grade credit rating, despite rising U.S. pension and OPEB costs and lower customer vehicle production rates. The Committee measured performance against one of the established performance goals, return on net assets, recognizing the impact of lower discount rates and asset returns on U.S. pension and OPEB costs and approved a corresponding payout at the threshold level. In 2004, also in conjunction with the Board s review of Delphi s strategic business plan, we modified, for all the outstanding Long-Term plans (2002-2004 and 2003-2005), the established goals for the 2003, 2004, and 2005 performance years to reflect a greater emphasis on meeting certain threshold cash flow targets as part of the overall performance and individual executive objectives.

(5) Includes matching contributions by Delphi under the Savings-Stock Purchase Plan and the values of certain credits provided to the named executive officers under the Benefit Equalization Plan-Savings, which are shown together in the Savings Plans column in the table below for 2004, and the value of the insurance premium paid by Delphi with respect to the Delphi Executive Split-Dollar Endorsement Plan, a life insurance policy for the benefit of Mr. Battenberg, which is shown in the Imputed Income column in the table below for 2004. Under the Benefit Equalization Plan, Delphi provides

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benefits substantially equal to benefits that could not be provided under the Savings-Stock Purchase Plan because of limitations under the Internal Revenue Code.

Named Executive	Savings Plans ($)	Imputed Income ($)
J. T. Battenberg III	28,261	23,205
Donald L. Runkle	16,624	
Alan S. Dawes	15,960	
Rodney O Neal	14,296	
David B. Wohleen	13,714	

Upon the death of Mr. Battenberg, Delphi would be reimbursed for its premiums paid on the Executive Split-Dollar Endorsement Plan.

Option Grants in Last Fiscal Year

The following table shows the stock options granted in 2004 to the executive officers named in the Summary Compensation Table. No stock appreciation rights have been granted to these officers.

Name	Number of Securities Underlying Options Granted (#)(1)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/Sh.)(2)	Expiration Date(1)	Grant Date Present Value ($)(3)
J. T. Battenberg III	838,000	12.26%	$ 10.02	April, 2014	$ 2,530,760
Donald L. Runkle	281,000	4.11%	$ 10.02	April, 2014	$ 848,620
Alan S. Dawes	281,000	4.11%	$ 10.02	April, 2014	$ 848,620
Rodney O Neal	272,000	3.98%	$ 10.02	April, 2014	$ 821,440
David B. Wohleen	272,000	3.98%	$ 10.02	April, 2014	$ 821,440

Notes

(1) These options were granted on May 7, 2004 and include both non-qualified and incentive stock options. One-third of each option grant becomes exercisable on May 7 of each of 2005, 2006 and 2007. The incentive stock options expire ten years from the date of grant and the non-qualified options expire two days later. If a grantee retires, becomes disabled, or dies, his or her pro-rated options continue to be exercisable up to the earlier of the normal expiration date or five years in the case of retirement and three years if the grantee becomes disabled or dies. In most other instances of employment termination, all rights end upon termination. Optionees are subject to certain conditions, including refraining from competitive activity after they retire from Delphi or otherwise cease employment with Delphi under circumstances in which they retain their options. Options generally cannot be transferred except through inheritance.

(2) The exercise price of the stock options is the average of the high and low selling prices as reported in the Wall Street Journal on the grant date.

(3)

These values were determined based on the Black-Scholes option pricing model. Calculation of the Grant Date Present Value was based on the following assumptions: Exercise of an option within the first five years after its grant, price volatility of 37.4%, a risk free rate of return of 4.1% and a dividend yield of 2.8%. No adjustments were made for non-transferability. Our use of this model does not necessarily mean that we believe that this model accurately determines the value of options. The ultimate value of the options in this table depends upon each holder s individual investment decisions and the actual performance of Delphi s common stock.

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Aggregated Option Exercises in Last Fiscal Year and Option Values at Fiscal Year End

The following table shows information concerning the options exercised in 2004 by each of the executive officers named in the Summary Compensation Table and the value of options held by such executives at the end of 2004. No stock appreciation rights are held by any named executive officer.

Name	Delphi Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at FY-End (#) Exercisable/ Unexercisable		Value of Unexercised In-the-Money Options at FY-End ($)(1) Exercisable/ Unexercisable
J. T. Battenberg III	0	0	3,696,092/ 1,679,961	$	188,800/ $377,600
Donald L. Runkle	0	0	967,689/ 542,398	$	59,983/ $119,967
Alan S. Dawes	0	0	1,028,481/ 539,874	$	59,983/ $119,967
Rodney O Neal	0	0	862,596/ 519,158	$	58,016/ $116,034
David B. Wohleen	0	0	849,049/ 519,158	$	58,016/ $116,034

Notes

(1) These year-end values represent the difference between the fair market value of Delphi s common stock underlying options (based on the stock s closing price on the New York Stock Exchange on December 31, 2004) and the exercise prices of the options. The closing price of Delphi s common stock on the New York Stock Exchange on December 31, 2004 was $9.02. In-the-money means that the fair market value of the underlying stock is greater than the option s exercise price on the valuation date.

Long-Term Incentive Plan-Awards in Last Fiscal Year

The following table shows information on 2004 grants of incentive awards to the executive officers named in the Summary Compensation Table.

Name		Number of Shares, Units or Other Rights(1)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts Under Non-Stock-Price-Based Plans(2) Threshold ($)		Target ($)		Maximum ($)
J. T. Battenberg III	$	2,514,000	2004-2006	$	1,005,600	$ 2,514,000	$	5,028,000
Donald L. Runkle	$	843,000	2004-2006	$	337,200	$ 843,000	$	1,686,000
Alan S. Dawes	$	843,000	2004-2006	$	337,200	$ 843,000	$	1,686,000
Rodney O Neal	$	816,000	2004-2006	$	326,400	$ 816,000	$	1,632,000
David B. Wohleen	$	816,000	2004-2006	$	326,400	$ 816,000	$	1,632,000

Notes

(1) Incentive awards under the Delphi Corporation Long-Term Incentive Cash Award Plan are denominated in dollars.

(2) Relates to payment of incentive awards under the Delphi Corporation Long-Term Incentive Plan for performance during 2004 through 2006. If the threshold performance level is met or exceeded, the percentage of the incentive award that may be paid to participants will depend on the extent to which the established performance target for the three-year performance period is achieved, but will not exceed the maximum level. If the threshold performance level is not met, no awards will be paid.

Under the Delphi Corporation Long-Term Incentive Award, eligible employees may receive long-term incentive awards which are based on performance during a period that may be at least two years and not more than five years. The final amount of the award depends on whether the performance goals are achieved as well as on the employee s individual performance.

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Delphi s Compensation and Executive Development Committee decides the dollar amount of a final award by determining how completely certain performance goals were achieved. Typically, these awards are granted each year, but they are not paid unless the performance goals are achieved over the three-year performance period. Performance goals for these awards reported in the table cover the 2004-2006 period and include the same performance measures for each of the named executive officers. The performance goals and the mechanics of receiving a final award are more fully discussed under Compensation and Executive Development Committee Report on Executive Compensation Long-Term Incentives appearing earlier in this section.

Final awards made to the named executive officers under the Delphi Corporation Performance Achievement Plan (which expired in 2004 and was replaced by the Long-Term Incentive Plan), for the 2000-2002, 2001-2003, and 2002-2004 performance periods are reported under the Long-Term Incentive Payouts column in the Summary Compensation Table.

Generally, an employee s outstanding incentive awards are cancelled if the employee quits, is discharged or ceases employment with Delphi under similar circumstances, or engages in competitive activity after termination. An employee s rights under any award are forfeited if an employee acts against Delphi s interests.

Retirement Programs

The retirement program for our executives in the United States consists of two plans. One plan, the Delphi Retirement Program for Salaried Employees, is a qualified plan for purposes of the Internal Revenue Code. We also have a plan that is not considered a qualified plan under the Internal Revenue Code, the Supplemental Executive Retirement Program (SERP). SERP provides for an executive to receive a benefit equal to the greater of that calculated under a regular method (Regular SERP Benefit) or an alternative method (Alternative SERP Benefit), under circumstances described below. Generally, under the Delphi Retirement Program for Salaried Employees and the Supplemental Executive Retirement Program, an executive s service with General Motors Corporation prior to January 1, 1999 is taken into account when determining service with Delphi for purposes of the plans, so that time that the executive worked for General Motors Corporation is counted as if the executive worked for Delphi during that time.

The Delphi Retirement Program for Salaried Employees is a tax-qualified plan subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Internal Revenue Code of 1986, as amended (IRC). In general, the Delphi Retirement Program for Salaried Employees consists of Part A and Part B benefits for an executive hired prior to January 1, 2001 or with a length of service date prior to January 1, 2001. The benefits for an executive hired on or after January 1, 2001 or with a length of service date on or after January 1, 2001 are contained in Part C . Part A of the Delphi Retirement Program for Salaried Employees provides benefits under a formula based on years of credited service and an applicable benefit rate. Part B of the Delphi Retirement Program for Salaried Employees provides benefits under a formula based on years of Part B credited service and upon the average of the highest five years of base salary received during the final ten years of service, subject to certain benefit limitations imposed by the IRC. In addition, under Part B, Delphi provides employees with an annual retirement benefit equal to the sum of 100% of the Part B contributions they made to the General Motors Retirement Program for Salaried Employees on or after October 1, 1979, or to the Delphi Retirement Program for Salaried Employees on or after January 1, 1999, and lesser percentages of their contributions made to the General Motors Retirement Program for Salaried Employees prior to October 1, 1979. If eligible employees elect not to contribute to Part B of the Delphi Retirement Program for Salaried Employees, they are entitled to receive the Part A benefits only. Benefits under the Delphi Retirement Program for Salaried Employees vest after five years of credited service and are payable on an unreduced basis at age 65 at the rate in effect as of the last day worked. Part C of the Delphi Retirement Program for Salaried Employees provides a non-contributory benefit to eligible employees. Delphi contributes 4% of an eligible employee s base pay which is called the pay credit .

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Interest, based on the 30-year Treasury security or such other rate as specified by the Commissioner of the Internal Revenue Service, is credited to the account on September 30th of each plan year or as soon thereafter as administratively feasible. This is referred to as the interest credit . Upon retirement, the employee is entitled to the Part C account balance, consisting of the accumulated pay credits and interest credits, in either a lump sum or an annuity.

If an eligible executive makes Part B contributions to the Delphi Retirement Program for Salaried Employees, the executive may also be eligible to receive a non-qualified Regular SERP Benefit. The sum of the Delphi Salaried Retirement Program s benefits plus the Regular SERP Benefit will provide an eligible executive with the following total annual retirement benefits: 2% times years of Part B credited service times the average of the highest five of the last ten years average annual base salary, minus a portion (based on years of credited service) of the maximum annual Social Security benefit in the year of retirement payable to a person who is eligible for an unreduced benefit.

The table below shows the estimated total annual Delphi Retirement Program for Salaried Employees benefits (under Part A and Part B) plus the Regular SERP Benefit (assuming the executive qualifies). The chart gives an average annual base salary as of December 31, 2004. Such amount would be paid in 12 equal monthly installments per year to executives retiring in 2004 at age 65. If the executive elects to receive such benefits with a 65% survivor option, the amounts shown would generally be reduced from 5% to 11% depending upon the age differential between spouses.

	Years of Part B Credited Service			
Average Annual Base Salary(1)	**15**	**25**	**35**	**45**
$ 350,000	$ 98,254	$ 163,756	$ 229,258	$ 294,761
600,000	173,254	288,756	404,258	519,761
850,000	248,254	413,756	579,258	744,761
1,100,000	323,254	538,756	754,258	969,761
1,350,000	398,254	663,756	929,258	1,194,761
1,600,000	473,254	788,756	1,104,258	1,419,761

(1) Average annual base salary means the average of the highest five years of base salary paid during the final ten calendar years of service preceding an executive s retirement.

The average annual base salary and the years of Part B credited service which may be considered in the Regular SERP Benefit calculation as of December 31, 2004 for each of the named executive officers are as follows: J. T. Battenberg III $1,567,500 42 years; Donald L. Runkle $910,000 36 years; Alan S. Dawes $834,000 23 years; Rodney O Neal $729,000 32 years; and David B. Wohleen $690,000 26 years. The annual base salary of each named executive officer for the most recent year(s) considered in the calculation reported here is shown in the Salary column of the Summary Compensation Table appearing earlier in this section.

Executives may be eligible to receive the Alternative SERP Benefit instead of the Regular SERP Benefit if they abide by certain agreements with Delphi, such as, for example, an agreement not to work for any competitor of Delphi or act in any manner contrary to the best interest of Delphi. If the executive makes such an agreement and qualifies for the Alternative SERP Benefit, he or she will receive the greater of the Regular SERP Benefit or the Alternative SERP Benefit. The sum of the Delphi Salaried Retirement Program s benefits, plus the Alternative SERP Benefit, will provide an eligible executive with total annual retirement benefits equal to 1.5% times eligible years of Part B credited service up to a maximum of 35 years, times the average of the highest five of the last ten years average annual total direct compensation, minus 100% of the maximum annual Social Security benefit in the year of retirement payable to a person who is eligible for an unreduced benefit.

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The following table shows the estimated total annual Delphi Salaried Retirement Program benefits (under Part A and Part B) plus the Alternative SERP Benefit (assuming the executive qualifies). The figures are based upon average annual compensation as of December 31, 2004. Delphi would pay the benefit in 12 equal monthly installments per year to executives retiring in 2005 at age 65. If the executive elects to receive such benefits with a 65% survivor option, the amounts shown would generally be reduced from 5% to 11%, depending upon the age differential between spouses.

Average Annual Total Direct Compensation(1)	Eligible Years of Part B Credited Service				
	15	20	25	30	35
$ 680,000	$ 130,512	$ 181,512	$ 232,512	$ 283,512	$ 334,512
1,360,000	283,512	385,512	487,512	589,512	691,512
2,040,000	436,512	589,512	742,512	895,512	1,048,512
2,720,000	589,512	793,512	997,512	1,201,512	1,405,512
3,400,000	742,512	997,512	1,252,512	1,507,512	1,762,512
4,080,000	895,512	1,201,512	1,507,512	1,813,512	2,119,512

(1) Average annual total direct compensation means the sum of the average annual base salary and the average of the highest five annual incentive awards earned in respect of the final ten calendar years of service preceding an executive s retirement.

The average annual total direct compensation and the eligible years of Part B credited service which may be considered in the Alternative SERP calculation as of December 31, 2004 for each of the named executive officers is as follows: J. T. Battenberg III $3,296,500 35 years (capped at maximum); Donald L. Runkle $1,547,000 35 years (capped at maximum); Alan S. Dawes $1,441,400 23 years; Rodney O Neal $1,294,400 32 years; and David B. Wohleen $1,220,000 26 years. The annual total direct compensation of each named executive officer for the most recent year(s) considered in the calculation reported here is reported in the Salary and Bonus columns of the Summary Compensation Table appearing earlier in this section.

The Regular SERP Benefit and the Alternative SERP Benefit can be reduced or eliminated for both retirees and active employees by Delphi s Compensation and Executive Development Committee.

Related Party Transactions

As required by our bylaws, we have agreed to indemnify, to the fullest extent permitted and in the manner required by the laws of the State of Delaware, certain present and former officers of the Corporation, including several of the named executive officers, for attorney s fees and other expenses they incur in connection with the previously disclosed ongoing investigation of the Securities and Exchange Commission into certain accounting matters. We have also agreed to indemnify certain former and current employees in the same manner and to the same extent. Our obligation to indemnify officers and our voluntary indemnification of other employees, is subject to the requirement in our bylaws that any indemnified person reimburse us for any expenses we advance in the event such person s conduct is ultimately found to have been not in good faith, not in the best interests of the company, or such person had reasonable cause to believe his conduct was unlawful.

As disclosed on Form 8-K filed on May 18, 2005 Delphi and Mr. Donald L. Runkle, former Delphi vice chairman, enterprise technologies, reached an agreement on the terms of Mr. Runkle s early retirement from Delphi and the transitional services that he will provide prior to retirement effective July 1, 2005. Additionally, as disclosed on Form 8-K filed on June 24, 2005 Delphi entered into a special retention agreement with Mr. Rodney O Neal, president and chief operating officer.

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Change in Control Agreements

In early 2000, Delphi entered into updated change in control agreements with its officers, whom we refer to here as participants, including each of the executives named in the Summary Compensation Table. The change in control agreements provide certain benefits to each participant upon the occurrence of a change in control of Delphi and additional benefits if the employment of a participant is terminated for certain reasons after a change in control.

A change in control is defined in the change in control agreements as: (i) the acquisition by any person, other than Delphi or any subsidiary of Delphi, of beneficial ownership of 25 percent or more of the outstanding common stock or of common stock carrying votes sufficient to elect a majority of the directors of the company; (ii) members of the company s board of directors who constitute the entire board as of the date of a participant s change in control agreement, together with any new directors whose election to the board was approved by at least two-thirds of the directors then in office who had been directors as of the date of the participant s change in control agreement, cease to constitute a majority of the board; (iii) certain mergers, consolidations and other reorganizations of Delphi in which Delphi is not the surviving corporation; (iv) any sale, lease, exchange or other transfer of 50% or more of the assets of Delphi; or (v) a liquidation or dissolution of Delphi.

Upon the occurrence of a change in control, a participant is entitled to the following payments and benefits:

all of the participant s unvested options will vest and become immediately exercisable in accordance with their terms;

all of the participant s unvested restricted stock units will vest and the company will deliver to the participant stock certificates and/or, at the participant s option, cash in an amount equal to the value of the restricted stock units;

all of the participant s target awards, calculated based on the greater of 150% of the initial awards or 150% of the forecasted payout level at the time of the change in control, will be fully funded by the company contributing amounts equal to such awards to a rabbi trust and will thereafter be paid to the participant at the times contemplated by the plans under which the awards were made;

any compensation previously deferred at the election of the participant, together with accrued interest or earnings, will be funded by the company contributing amounts equal to such deferrals and accrued interest or earnings to a rabbi trust, which amounts will be paid to the participant as previously directed by the participant;

the company will contribute to a rabbi trust an amount equal to the present value of the Regular SERP Benefit or the Alternative SERP Benefit, which amount will be paid to the participant under the terms of the Supplemental Executive Retirement Program at the same time as his or her benefits under the Delphi Salaried Retirement Program are paid to him or her; if the participant does not become vested in his or her retirement benefit under the Delphi Salaried Retirement Program, then the present value of the Regular SERP Benefit or the present value of the Alternative SERP Benefit will be paid to the participant within 30 days after his or her separation from service with the company; solely for purposes of calculating the Regular SERP Benefit and/or the Alternative SERP Benefit, the participant s benefit under the Delphi Salaried Retirement Program will be calculated with additional year(s) of service equal to the multiplier (1, 2 or 3) described below and with the additional compensation paid as a result of such multiplier;

a participant will be deemed fully vested in his or her benefit under any tax-qualified defined benefit plans of the company so that if he or she separates from service with the company before actually becoming vested in such benefits, the company will pay him or her an amount equal to the present value of his or her accrued benefits under such plans;

a participant will be deemed fully vested in his or her benefit under any tax-qualified defined contribution plans of the company so that if he or she separates from service with the company

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before actually becoming vested in such benefits, the company will pay him or her an amount equal to the excess of his or her account balance under such plans over the vested account balance.

Additional payments and benefits are payable to a participant who ceases to be employed by the company during the three years following a change in control under any of the following circumstances:

the company terminates the participant s employment other than for cause, i.e., for any reason other than the participant s willful failure to perform substantially his or her duties or the conviction of the participant for a felony;

the participant terminates his or her employment if, without his or her consent, (i) his or her salary and other compensation or benefits are reduced for reasons unrelated to the company s or the participant s performance, (ii) his or her responsibilities are negatively and materially changed, (iii) he or she must relocate his or her work location or residence more than 25 miles from its location as of the date of the change in control or (iv) the company fails to offer him or her a comparable position after the change in control;

during the one-month period following the first anniversary of the change in control, the participant ceases to be employed by the company for any reason other than for cause.

The additional payments and benefits payable in the circumstances described above are:

payment in cash of (i) the participant s annual base salary through the termination date for work performed for which the participant has not yet been paid, together with accrued vacation pay and (ii) a multiple (either 1, 2 or 3) of the greater of (x) the participant s annual base salary plus his or her target bonus, each for the year in which the change in control occurs, and (y) the participant s annual base salary plus his or her target bonus, each for the year in which his or her employment is terminated;

continuation by the company of the participant s health and life insurance coverage for 36 months after the termination date;

reimbursement from the company of up to $50,000 for expenses related to outplacement services;

continued use of the participant s company car and/or any applicable car allowance for one year after the termination date, plus payment by the company of any amounts necessary to offset any taxes incurred by the participant by reason of the company s car-related payments;

provision by the company of investment advisory services comparable to those services available to the participant as of the date of his or her change in control agreement, for two years after the termination date; and

payment by the company of the participant s legal fees resulting from any dispute resolution process entered into to enforce his or her change in control agreement, plus payment by the company of the gross-up amount necessary to offset any taxes incurred by the participant by reason of such payments by the company.

If a participant voluntarily terminates employment during the term of his or her change in control agreement, other than in any of the negative situations imposed without his or her consent described above and other than during the one-month period after the first anniversary of the change in control also described above, the participant s change in control agreement will terminate and the company s only obligation will be to pay the participant s annual base salary through the termination date for work performed for which the participant has not yet been paid and any previously deferred compensation. Upon the termination of a participant s employment due to his or her death or incapacity (other than during the one-month period after the first anniversary of the change in control described above), his or her change in control agreement will terminate and the company s only obligation will be to pay the participant s annual base salary through the termination date, any accrued vacation pay and any previously deferred compensation.

A participant is also entitled to receive a payment by the company to offset any excise tax under the excess parachute payment provisions of section 4999 of the Internal Revenue Code that has been levied against the

participant for payments that the company has made to, or for the benefit of, him or her

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(whether or not such payments are made pursuant to the participant s change in control agreement). The payment by the company will be grossed up so that after the participant pays all taxes (including any interest or penalties with respect to such taxes) on the payment, the participant will retain an amount of the payment equal to the excise tax imposed.

The change in control agreements place certain restrictions on the ability of a participant whose employment with the company has terminated to disclose any confidential information, knowledge or data about the company or its business. Also, the terms of any noncompetition agreement between a participant and the company (including the noncompetition provisions contained in the Supplemental Executive Retirement Program as it relates to payment of the Alternative SERP Benefit and in various benefit plans) will cease to apply to a participant if, and on the date that, the participant s employment with the company is terminated for any reason after a change in control.

Compensation of Directors

Because Delphi believes that director compensation should be aligned with the interests of our shareholders, we link a significant component of our directors compensation to the value of our stock. We do not pay directors who are also our employees additional compensation for their service as directors or committee members. In 2004, the compensation for our non-management directors was structured as follows:

- The lead independent director received an annual retainer of $100,000 in cash and $200,000 in common stock units;
- The other non-employee directors received an annual retainer of $55,000 in cash and $85,000 in common stock units;
- The chairman of the Audit Committee received an additional retainer of $15,000 in cash; and
- The chairman of the Compensation and Executive Development Committee and the chairman of the Corporate Governance and Public Issues Committee each received an additional retainer of $10,000 in cash.

The portion of each non-management director s annual compensation that is paid in common stock units is automatically deferred until he or she no longer serves on our Board. The outstanding common stock unit balance will accrue dividend equivalents on a quarterly basis and be paid out in cash when the Director leaves the Board.

Our non-management directors also have the option to defer the cash portion of their fees into common stock units. They elect to do so under Delphi s Deferred Compensation Plan for Non-Employee Directors (the Deferred Compensation Plan).

As previously disclosed on a Form 8-K with the Securities and Exchange Commission, on December 8, 2004 the Compensation Committee, after reviewing industry and market trends for board compensation and information provided by its independent compensation consultant, amended and restated the Deferred Compensation Plan. The amendment added a minimum share holding requirement that must be satisfied prior to a director being able to receive any portion of his or her annual compensation in cash. The shareholding requirement is based on three times the value of each director s total annual compensation and the historical value of the Company s common stock. Until a director has satisfied his or her minimum holding requirement, 60% of such director s annual compensation (two-thirds for the lead non-employee director) will be delivered in the form of common stock units with payout automatically deferred until he or she no longer serves on our Board. Once a director has satisfied his or her minimum holding requirement, the director may receive up to 50% of his compensation in cash, paid quarterly. At this time, all but two of the Company s non-employee directors have satisfied the minimum holding requirement.

Under the amended Plan, a director may still elect to defer all or a portion of compensation that he or she is entitled to receive in cash into additional common stock units.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Stock Ownership of Management and More Than 5% Stockholders

The table below shows how much of our common stock was beneficially owned as of May 31, 2005 (unless another date is indicated) by (i) each director (who was serving as a director as of that date) and nominee for director, (ii) each executive officer named in the Summary Compensation Table appearing elsewhere in this Form 10-K, (iii) each person known by Delphi to beneficially own more than 5% of our common stock and (iv) all directors and executive officers as a group. In general, a person beneficially owns shares if he or she has or shares with others the right to vote those shares or to dispose of them, or if the person has the right to acquire such voting or disposition rights within 60 days of May 31, 2005 (such as by exercising options). All persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis for the fiscal year ended 2004.

Name and Address(1)	Shares Beneficially Owned(2)	Stock which may be Acquired within 60 Days(3)	Total	Percent	Deferred Stock Unit(4)
J. T. Battenberg III	530,440	4,497,386	5,027,826	*	600,674
Oscar de Paula Bernardes Neto				*	68,247
Robert H. Brust				*	56,124
Virgis W. Colbert				*	70,894
Alan S. Dawes(5)	152,513		152,513	*	8,714
David N. Farr				*	46,715
Bernd Gottschalk				*	62,169
Shoichiro Irimajiri				*	66,436
Craig G. Naylor				*	3,530
Cynthia A. Niekamp				*	24,206
Rodney O Neal	103,018	1,091,639	1,194,657	*	213,595
John D. Opie	10,000		10,000	*	124,918
Donald L. Runkle	119,876	1,221,086	1,340,962	*	141,565
David B. Wohleen	95,239	1,078,092	1,173,331	*	193,093
Dodge & Cox(6), One Sansome Street, 35th Floor San Francisco, CA 94104	73,561,123		73,561,123	13.1%	
Capital Research & Management Company(7), 333 South Hope St., Los Angeles, CA 90071	72,055,000		72,055,000	12.8%	
Capital Group International, Inc.(8), 11100 Santa Monica Blvd., Los Angeles, CA 90025-3384	33,356,270		33,356,270	5.9%	

State Street Bank and Trust Company, in various fiduciary capacities(9) 225 Franklin Street, Boston, MA 02110	75,725,697		75,725,697	13.5%	
All directors and executive officers as a group (17 persons)(10)	1,147,161	9,455,990	10,603,151	*	1,967,877

* Less than 1% of Delphi s total outstanding common stock. The percentages shown in the table are based on the total number of shares of Delphi s common stock outstanding on May 31, 2005.

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Notes

(1) Except as otherwise indicated in the table, the business address of the beneficial owners is c/o Delphi Corporation, 5725 Delphi Drive, Troy, MI 48098.

(2) Includes shares:
As to which the named person has sole voting and investment power,

As to which the named person has shared voting and investment power with a spouse, or

Which the named person holds in the Delphi Corporation Savings-Stock Purchase Program for Salaried Employees in the United States.

(3) Includes:
Stock options exercisable and restricted stock units which vest within 60 days of May 31, 2005.

(4) Includes:
Restricted stock units subject to a vesting schedule, forfeiture risk and other restrictions. The restricted stock units earn dividend equivalents at the same rate as dividends paid to stockholders. Restricted stock units have no voting or disposition rights until vested. Does not include restricted stock units vesting within 60 days of May 31, 2005 which have been included in the Total column.

Phantom shares denominated in common stock units under the Delphi Benefit Equalization Plan-Savings. This is a non-qualified excess benefit plan that is exempt from ERISA and IRS code limitations and provides executives with full Delphi matching contributions without regard to limits imposed by the IRS code. Amounts credited under the plan are maintained in share units of Delphi common stock. After leaving Delphi, an employee may at any time choose to receive a complete distribution of amounts in the Benefit Equalization Plan, which will be in cash. Common stock units have no voting rights.

Common stock units held by non-management directors under Delphi s Deferred Compensation Plan for Non-Employee Directors. Common stock units have no voting rights. Dividend equivalents on any common stock units accrue quarterly and are converted into additional common stock units. Directors receive the cash value of all of their accumulated stock units after they leave the Board.

(5) Mr. Dawes resigned from the Company effective March 4, 2005. Therefore, the information with respect to his holdings is as of March 31, 2005.

(6) Based on a Schedule 13G/ A dated February 10, 2005 filed by Dodge & Cox with the Securities and Exchange Commission.

(7) Based on a Schedule 13G/ A dated April 8, 2005 filed by Capital Research & Management Company with the Securities and Exchange Commission.

(8) Based on a Schedule 13G/ A dated February 11, 2005 filed by Capital Group International, Inc. with the Securities and Exchange Commission.

(9) Based on a Schedule 13G/ A dated February 22, 2005 filed by State Street Bank and Trust Company with the Securities and Exchange Commission. Represents shares held by State Street Bank and Trust Company as trustee for various Delphi employee benefit plans and in various other fiduciary capacities.

(10) Includes Messrs. Dawes and Runkle, who are no longer executive officers of the Company.

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Related Stockholder Matters

Delphi has authorized future issuances of common stock to its named executive officers and other employees, pursuant to options granted under equity compensation plans. The table below summarizes the options outstanding against those plans as of December 31, 2004. A more detailed description of these plans and awards made pursuant thereto is contained in the Compensation of Executive Officers section appearing elsewhere in this Form 10-K.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights(1)	Weighted-average exercise price of outstanding options and rights(2)	Number of securities remaining available for future issuance under equity compensation plans
	(in thousands)		(in thousands)
Equity compensation plans approved by stockholders	72,675	$ 12.61	25,192
Equity compensation plans not approved by stockholders	25,068	$ 16.46	
Total	97,743	$ 13.68	25,192

Notes

(1) Includes approximately 65.3 million outstanding options and approximately 7.4 million outstanding restricted stock units.

(2) Includes weighted-average exercise price of outstanding options only.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 2004 there were no transactions with management and others, no business relationships regarding directors or nominees for directors and no indebtedness of management required to be disclosed pursuant to this Item 13 other than those described in response to Item 11, Executive Compensation. See Item 11, Executive Compensation for certain related party transactions occurring during the first half of 2005.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

As of December 31, 2004, the Audit Committee of our Board of Directors consisted of Robert H. Brust, Oscar de Paula Bernardes Neto, Cynthia A. Niekamp, and John D. Opie (ex officio), all of whom are independent for purposes of New York Stock Exchange Listing Requirements and the U.S. Securities and Exchange Commission s rules promulgated under the Sarbanes-Oxley Act of 2002.

Independent Auditors Fees

The following table breaks out the components of aggregate fees billed to Delphi by Deloitte & Touche LLP, the member firms of Deloitte & Touche Tohmatsu, and their respective affiliates (collectively, Deloitte), for services in 2004 and 2003:

	2004	2003

	($ in millions)	
Audit Fees	14.0	9.2
Audit-Related Fees	0.6	0.8
Tax Fees	1.1	1.3
All Other Fees		
Total	15.7	11.3
Memo: Ratio of Tax and All Other Fees to Audit and Audit-Related Fees	0.1:1	0.1:1
Percentage of Aggregate Fees which were Audit or Audit-Related	93%	88%

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Audit fees related primarily to the audit of the Company s consolidated annual financial statements, reviews of interim financial statements contained in the Company s Quarterly Reports on Form 10Q, statutory audits of certain of the Company s subsidiaries, attestation of management s assessment of internal control over financial reporting as of December 31, 2004 pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and various attest services.

Audit-related fees related primarily to employee benefit plan audits, accounting consultations, agreed-upon procedures engagements and services related to a regulatory investigation.

Tax fees related to the following:

1. Tax compliance services such as assistance with tax return filing and preparation of required documentation in certain foreign countries, totaling $0.4 million in 2004 ($0.8 million in 2003).

2. Tax planning, advice and other tax-related services including assistance with tax audits and appeals, general tax advice in the U.S. and certain foreign countries, and customs reports in Mexico, totaling $0.7 million in 2004 ($0.5 million in 2003).

In considering the nature of the services provided by Deloitte in 2004, the Audit Committee determined that they are compatible with their provision of independent audit services. The Audit Committee discussed these services with Deloitte and management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the U.S. Securities and Exchange Commission to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

Pre-Approval Policy

The services performed by Deloitte in 2004 were pre-approved by the Audit Committee in accordance with the pre-approval policy and procedures adopted by the Committee. This policy delineates the allowable audit, audit-related, tax, and other services which the independent auditor may perform. Prior to the beginning of each year, the Vice President of Corporate Audit Services (or the Chief Tax Officer in case of tax services) develops a detailed description of the services to be performed by the independent auditor in each of these categories in the following year. This Service List is presented to the Audit Committee for approval. Services provided by Deloitte during the following year that are included on the Service List and were approved in this manner are considered to have been pre-approved by the policies and procedures of the Audit Committee. Any requests for audit, audit-related and tax services not contemplated on the Service List and all other services must be submitted to the Committee for pre-approval as they arise during the year and cannot commence until such approval has been granted. Normally, this is done at regularly scheduled meetings, but approval authority between meetings has been delegated to the Chairman. On a regular quarterly basis, the Audit Committee reviews the status of services and fees incurred year-to-date, the forecast for the calendar year and the projected ratio of tax and all other fees to audit and audit-related fees.

During 2003, 5.7% of audit-related fees (representing 0.4% of total fees) were approved by the Audit Committee pursuant to the de minimis exception provided in 17 CFR 210.2-01 (c)(7)(i)(C) as promulgated by the U.S. Securities and Exchange Commission.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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2. Financial Statement Schedules-	
Valuation and qualifying account schedule for the Years Ended December 31, 2004, 2003, and 2002	103
3. Exhibits (including those incorporated by reference)	

Exhibit Number	Exhibit Name
(3)(a)	Amended and Restated Certificate of Incorporation of Delphi Corporation, incorporated by reference to Exhibit 3(a) to Delphi s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
(3)(b)	Certificate of Ownership and Merger, dated March 13, 2002, merging Delphi Corporation into Delphi Automotive Systems Corporation, incorporated by reference to Exhibit 3(b) to Delphi s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
(3)(c)	By-laws of Delphi Corporation, incorporated by reference to Exhibit 3.2 to Delphi s Registration Statement on Form S-1 (Registration No. 333-67333) (hereinafter referred to as the Registration Statement).
(4)(a)	Rights Agreement relating to Delphi s Stockholder Rights Plan, incorporated by reference to Exhibit (4)(a) to Delphi s Annual Report on Form 10-K for the year ended December 31, 1998, as amended by the First Amendment thereto, which is incorporated by reference to Exhibit 99(a) to Delphi s Report on Form 8-K dated May 11, 2005.
(4)(b)	Indenture, dated as of April 28, 1999, between Delphi Corporation and Bank One, National Association, formerly known as The First National Bank of Chicago, as trustee, incorporated by reference to Exhibit 4(b) to Delphi Corporation s Annual Report on Form 10-K for the year ended, December 31, 2001.

(4)(c) Terms of the $6^{1}/8\%$ Notes due 2004, $6^{1}/2\%$ Notes due 2009, and $7^{1}/8\%$ Debentures due 2029, incorporated by reference to Exhibit 4.1 to Delphi s Current Report on Form 8-K dated April 28, 1999 and filed May 3, 1999.

(4)(d) Terms of the 6.55% Notes due 2006, incorporated by reference to Exhibit 4.1 to Delphi s Current Report on Form 8-K dated May 31, 2001 and filed June 4, 2001.

Instruments defining the rights of holders of debt of the registrant have been omitted from this exhibit index because the amount of debt authorized under any such instrument does not exceed 10% of the total assets of the registrant and its subsidiaries. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

(4)(e) Terms of the 6.50% Notes due 2013, incorporated by reference to Exhibit 4.1 to Delphi s Current Report on Form 8-K dated July 22, 2003 and filed July 25, 2003.

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Exhibit Number	Exhibit Name
(4)(f)	Form of First Supplemental Indenture to Indenture, dated as of April 28, 1999, between Delphi Corporation and Bank One, National Association, formerly known as The First National Bank of Chicago, as trustee, incorporated by reference to Exhibit 4.2 to Delphi s Registration Statement on Form S-3 (Registration No. 333-101478).
(4)(g)	Subordinated Indenture between Delphi Corporation and Bank One Trust Company, National Association, as trustee, incorporated by reference to Exhibit 4.1 to Delphi s Current Report on Form 8-K dated November 21, 2003 and filed November 24, 2003.
(4)(h)	Certificate of Trust of Delphi Trust I, incorporated by reference to Exhibit 4.7 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(i)	Declaration of Trust of Delphi Trust I, incorporated by reference to Exhibit 4.8 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(j)	Certificate of Trust of Delphi Trust II, incorporated by reference to Exhibit 4.9 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(k)	Declaration of Trust of Delphi Trust II, incorporated by reference to Exhibit 4.10 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(l)	Certificate of Trust of Delphi Trust III, incorporated by reference to Exhibit 4.11 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(m)	Declaration of Trust of Delphi Trust III, incorporated by reference to Exhibit 4.12 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(n)	Certificate of Trust of Delphi Trust IV, incorporated by reference to Exhibit 4.13 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(o)	Declaration of Trust of Delphi Trust IV, incorporated by reference to Exhibit 4.14 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(p)	Form of Amended and Restated Declaration of Trust I, II, III & IV, incorporated by reference to Exhibit 4.15 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(q)	Form of Guarantee Agreement, incorporated by reference to Exhibit 4.16 to Delphi s Registration Statement on Form S-3 (Registration No. 333-108477).
(4)(r)	Terms of $8^{1}/4$% junior subordinated notes due 2033, incorporated by reference to Exhibit 4.1 to Delphi s Current Report on Form 8-K dated October 21, 2003 and filed October 23, 2003.

(4)(s)	Terms of adjustable rate junior subordinated notes due 2033, incorporated by reference to Exhibit 4.3 to Delphi s Current Report on Form 8-K dated November 21, 2003 and filed November 24, 2003.
(10)(a)	Master Separation Agreement among General Motors, Delphi, Delphi Corporation LLC, Delphi Technologies, Inc. and Delphi Corporation (Holding), Inc., incorporated by reference to Exhibit 10.1 to the Registration Statement.
(10)(b)	Component Supply Agreement between Delphi and General Motors, incorporated by reference to Exhibit 10.2 to the Registration Statement.
(10)(c)	Memorandum of Understanding dated May 3, 2000 between Delphi and General Motors Service Parts Operation, incorporated by reference to Exhibit 10(c) to Delphi s Annual Report on Form 10-K for the year ended December 31, 2000.
(10)(d)	U.S. Employee Matters Agreement between Delphi and General Motors, incorporated by reference to Exhibit 10.4 to the Registration Statement.
(10)(e)	Agreement for the Allocation of United States Federal, State and Local Income Taxes between General Motors and Delphi, incorporated by reference to Exhibit 10.5 to the Registration Statement.
(10)(f)	Amended and Restated Agreement for the Allocation of United States Federal, State and Local Income Taxes between General Motors and Delphi, incorporated by reference to Exhibit 10.6 to the Registration Statement.

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Exhibit Number	Exhibit Name
(10)(g)	IPO and Distribution Agreement between Delphi and General Motors, incorporated by reference to Exhibit (10)(g) to Delphi s Annual Report on Form 10-K for the year ended December 31, 1998.
(10)(h)	Description of Delphi Non-Employee Directors Charitable Gift Giving Plan, incorporated by reference to Exhibit 10(h) to Delphi s Annual Report on Form 10-K for the year ended December 31, 2000.*
(10)(i)	Delphi Corporation Stock Incentive Plan, incorporated by reference to Exhibit 10.10 to the Registration Statement.*
(10)(j)	Delphi Corporation Amended and Restated Deferred Compensation Plan for Non-Employee Directors, filed as an exhibit to this report.*
(10)(k)	Agreement, dated December 22, 1999, between Delphi Corporation and General Motors Corporation, incorporated by reference to Exhibit 10(q) to Delphi s Annual Report on Form 10-K for the fiscal year ended December 31, 1999.
(10)(l)	Form of Change in Control Agreement between Delphi and its officers, incorporated by reference to Exhibit 10(a) to Delphi s Quarterly Report on Form 10-Q for the quarter ended March 31, 2000.*
(10)(m)	364-Day Sixth Amended and Restated Competitive Advance and Revolving Credit Facility, dated as of June 18, 2004, among Delphi and the lenders named therein, incorporated by reference to Exhibit 10(a) to Delphi s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 and amended by First Amendment and Waiver to 364-Day Sixth Amended and Restated Competitive Advance and Revolving Credit Facility dated as of March 28, 2005, which is incorporated by reference to Exhibit 99 (a) to Delphi s Report on Form 8-K dated May 22, 2005.
(10)(n)	Five Year Second Amended and Restated Competitive Advance and Revolving Credit Facility, dated as of June 18, 2004, among Delphi and the lenders named therein, incorporated by reference to Exhibit 10(b) to Delphi s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 and amended by First Amendment and Waiver to Five Year Second Amended and Restated Competitive Advance and Revolving Credit Facility dated as of March 28, 2005, which is incorporated by reference to Exhibit 99(b) to Delphi s Report on Form 8-K dated May 22, 2005.
(10)(o)	Five Year Third Amended and Restated Credit Agreement dated as of June 14, 2005 incorporated by reference to Exhibit 99(a) to Delphi s Report on Form 8-K dated June 14, 2005.
(10)(p)	Employment Agreement with an Executive Officer dated January 1, 1999, incorporated by reference to Exhibit 10(u) to Delphi s Annual Report on Form 10-K for the year ended

	December 31, 2000.*
(10)(q)	Supplemental Executive Retirement Program, incorporated by reference to Exhibit 4(b) to Delphi Corporation s Annual Report on Form 10-K for the year ended, December 31, 2001.*
(10)(r)	Stock Option Plan for Non-Executives, incorporated by reference to Delphi Corporation s Annual Report on Form 10-K for the year ended, December 31, 2002.
(10)(s)	Delphi Corporation Annual Incentive Plan, incorporated by reference to Exhibit 10(c) to Delphi Corporation s Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2004.*
(10)(t)	Delphi Corporation Long-Term Incentive Plan, incorporated by reference to Exhibit 4(d) to Delphi s Registration Statement on Form S-8 (Registration No. 333-116729).*
(10)(u)	2005 Executive Retirement Incentive Program Agreement dated May 13, 2005 incorporated by reference to Exhibit 99(a) to Delphi s Report on Form 8-K dated May 13, 2005.*
(10)(v)	Special Separation Agreement & Release dated May 13, 2005 incorporated by reference to Exhibit 99(b) to Delphi s Report on Form 8-K dated May 13, 2005*
(10)(w)	Form of Retention Award Agreements for Executive Officers, dated March 1, 2005, incorporated by reference to Exhibit 99(a) to Delphi s Report on Form 8-K dated March 1, 2005.*

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Exhibit Number	Exhibit Name
(10)(x)	Standstill Agreement with Capital Group Companies, Inc. dated May 10, 2005 incorporated by reference to Exhibit 99(b) to Delphi s Report on Form 8-K dated May 11, 2005.
(12)	Computation of Ratios of Earnings to Fixed Charges for the Years Ended December 31, 2004, 2003, 2002, 2001, and 2000.
(14)	The Delphi Foundation for Excellence, a Guide to Representing Delphi with Integrity, as amended on December 15, 2004, filed as an exhibit to this report.
(18)	Preferability Letter of Deloitte & Touche LLP for Change in Accounting Principle as incorporated by reference to Delphi Corporation s Annual Report on Form 10-K for the year ended December 31, 2003.
(21)	Subsidiaries of Delphi
(23)	Consent of Deloitte & Touche LLP
31(a)	Certification Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(99)(a)	Delphi Savings-Stock Purchase Program for Salaried Employees in the United States, incorporated by reference to Exhibit 99(a) to Delphi Corporation s Annual Report on Form 10-K for the year ended, December 31, 2001.
(99)(b)	Delphi Personal Savings Plan for Hourly-Rate Employees in the United States, incorporated by reference to Exhibit 99(b) to Delphi Corporation s Annual Report on Form 10-K for the year ended, December 31, 2001.

* Management contract or compensatory plan or arrangement

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Delphi Corporation

(Registrant)

By: /s/ J. T. Battenberg III

(J. T. Battenberg III, Chairman of the Board of Directors & Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on June 30, 2005 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ J. T. Battenberg III (J. T. Battenberg III)	Chairman of the Board & Chief Executive Officer (Principal Executive Officer)
/s/ Rodney O Neal (Rodney O Neal)	Director, President & Chief Operating Officer
/s/ John D. Sheehan (John D. Sheehan)	Acting Chief Financial Officer, Chief Accounting Officer and Controller (Principal Accounting Officer)
/s/ John D. Opie (John D. Opie)	Director (Lead Independent Director)
/s/ Oscar de Paula Bernardes Neto (Oscar de Paula Bernardes Neto)	Director
/s/ Robert H. Brust (Robert H. Brust)	Director
/s/ Virgis W. Colbert (Virgis W. Colbert)	Director
/s/ David N. Farr (David N. Farr)	Director

/s/ Dr. Bernd Gottschalk	Director
(Dr. Bernd Gottschalk)	
/s/ Shoichiro Irimajiri	Director
(Shoichiro Irimajiri)	
/s/ Craig G. Naylor	Director
(Craig G. Naylor)	
/s/ Cynthia A. Niekamp	Director
(Cynthia A. Niekamp)	

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EXHIBIT INDEX

Exhibit Number	Description
10(j)	Delphi Corporation Amended and Restated Deferred Compensation Plan for Non-Employee Directors
12	Computation of Ratios of Earnings to Fixed Charges for the Years Ended December 31, 2004, 2003, 2002, 2001, and 2000
14	The Delphi Foundation for Excellence, A Guide to Representing Delphi with Integrity, as amended on December 15, 2004
21	Subsidiaries of Delphi
23	Consent of Deloitte & Touche LLP
31(a)	Certification of Chief Executive Officer pursuant to Section 302
31(b)	Certification of Chief Financial Officer pursuant to Section 302
32(a)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32(b)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002