

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
DELPHI SALARIED RETIREES ASSOCIATION
BENEFIT TRUST
DECEMBER 31, 2009**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Delphi Salaried Retirees Association
Voluntary Employee Benefits Association
Board of Directors

We have audited the accompanying statement of net assets available for benefits (modified cash basis) of the Delphi Salaried Retirees Association Benefit Trust (the "Plan") as of December 31, 2009, and the related statement of changes in net assets available for benefits (modified cash basis) for the period from September 1, 2009 (inception) through December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note B, the financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2009, and the changes in net assets available for benefits for the period from September 1, 2009 (inception) through December 31, 2009, on the basis of accounting described in note B.



Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2009, and reportable transactions for the period from September 1, 2009 (inception) through December 31, 2009, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grant Thornton LLP

Chicago, Illinois
April 15, 2011

Delphi Salaried Retirees Association Benefit Trust
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
December 31, 2009

Assets

Investment, at fair value

Comerica money market account (note C)	<u>\$8,509,261</u>
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NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$8,509,261</u></u>
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The accompanying notes are an integral part of this statement.

Delphi Salaried Retirees Association Benefit Trust
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
Period from September 1, 2009 (inception) through December 31, 2009

Additions to net assets attributed to	
Contributions	
Previous employer	\$ 8,750,000
Retiree	4,949,539
HCTC	<u>3,458,662</u>
Total contributions	17,158,201
Investment income - interest	<u>10,565</u>
Total additions	17,168,766
Deductions from net assets attributed to	
Hardship payments	47,426
Insurance premiums	8,437,089
ASO fees	57,345
Administrative expenses	<u>117,645</u>
Total deductions	<u>8,659,505</u>
NET INCREASE	8,509,261
Net assets available for benefits	
Beginning of period	<u>-</u>
End of period	<u><u>\$ 8,509,261</u></u>

The accompanying notes are an integral part of this statement.

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A - DESCRIPTION OF PLAN

General

The Delphi Salaried Retirees Association Benefit Trust Plan (the “Plan”) was established on September 1, 2009, to offer welfare benefit coverage to eligible retirees and their dependents of Delphi Salaried Retirees Association (“DSRA”), with coverage beginning on October 1, 2009, as detailed in the Plan document.

In general, the Plan provides participants specified medical, prescription drug, vision and dental benefits. By virtue of being offered through a Voluntary Employee Beneficiary Association (“VEBA”), the component benefit programs offered for those under 65 years of age are intended to be qualified to take advantage of Health Coverage Tax Credits (“HCTC”) available under the Internal Revenue Service (“IRS”). The Plan also offers alternate coverage for eligible retirees who are or who become Medicare eligible.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Administration of the Plan

The DSRA VEBA is the Plan sponsor and the DSRA VEBA Board of Directors (“VBOD”) administers the Plan. The VBOD has contracted with a third-party administrator, Marsh Inc., to administer the benefits under the Plan, under the guidance of the VBOD. Comerica Bank (“Comerica”) serves as custodian for the trust.

Blue Cross Blue Shield of Michigan provides healthcare, prescription drugs, dental and under 65 Medicare claims through insurance, and Superior Vision Services, Inc., The Hartford and Benistar Administrative Services provide vision claims, over 65 life insurance and Medicare Part D coverage through insurance, respectively. Hardship payments are administered by a committee of the VBOD.

Contributions

The Plan is funded through a VEBA Trust set up by the Official Delphi Section 1114 Committee (“1114 Committee”) with monies obtained solely from Delphi Corporation (“Delphi”) pursuant to a Stipulation and Agreed Order entered between Delphi Corporation and the 1114 Committee (entered in Case No. 05-44481, United States Bankruptcy Court, S.D. New York, as may be modified from time to time) (hereinafter “Settlement Agreement”) and by premiums contributions from eligible retirees. Pursuant to the Settlement Agreement, in part, Delphi paid \$7,250,000 to the VEBA Trust. An additional \$500,000 was paid by Delphi to pay expenses incurred with respect to the operation of the VEBA Trust and/or Plan, payment of trustees,

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE A - DESCRIPTION OF PLAN - Continued

Contributions - Continued

professional expenses, fidelity, other bonding expenses and other costs attendant to the maintenance of the DSRA VEBA Trust and Plan. Delphi also paid \$1,000,000 to the DSRA VEBA for the establishment of a hardship fund for certain eligible retirees.

The IRS HCTC Department processes HCTC payments. Eligible retirees pay any residual premiums to the extent not covered by Delphi and HCTC payments. The premium rates are set by VBOD after consultations with the insurance providers. Terminated employees may elect to continue their coverage (as provided under Consolidated Omnibus Budget Reconciliation Act of 1985 regulations) by making contributions to cover the full cost of their insurance premiums.

Benefits

The Plan provides for specified medical, prescription drug, vision and dental benefits through insurance arrangements. The Plan also provides for hardship payments to eligible participants to reimburse residual premiums.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, contributions and income are recorded when received and distributions and expenses are recorded when paid.

Had the financial statements been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, receivables of \$2,875,979 and payables of \$78,251 would have been recorded as of December 31, 2009.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Valuation of Investments

The Plan's investments consist of deposits in a money market account and are stated at cost, which equals fair value. See note C for description of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Benefit Payments

Hardship payments and insurance premium payments are recorded when paid.

Administrative Expenses

Administrative expenses associated with the Plan are paid by the Plan as permissible by the Plan provisions.

Risks and Uncertainties

The Plan provides for an investment in a money market account. Investment securities, in general, are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities in the near term would be material to the financial statements.

NOTE C - FAIR VALUE MEASUREMENTS

In September 2006, the Financial Accounting Standards Board issued Accounting Standards Codification ("ASC") 820, "*Fair Value Measurements*," which defines fair value, establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement and enhances disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for similar assets or liabilities in active markets that the Plan has ability to access.

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE C - FAIR VALUE MEASUREMENTS - Continued

Level 2 - Inputs to the valuation methodology, including the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

However, the determination of what constitutes observable requires judgment by the Plan's management. Plan management considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to Plan management's perceived risk of that investment.

Following is a description of the valuation methodology used for assets measured at fair value:

Money market account - Valued using amortized cost, which approximates fair value.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE C - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market account	<u>\$8,509,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,509,261</u>
Total investments at fair value	<u>\$8,509,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,509,261</u>

NOTE D - PLAN TERMINATION

Although it has not expressed any intent to do so, the DSRA VEBA reserves the right to modify or discontinue the Plan at any time. In the event the Plan is terminated, the trust assets, to the extent they exist, are to be applied first to reasonable and necessary expenses in connection with the termination; second, to provide benefits to participants and beneficiaries with respect to claims arising prior to the date of termination, or such earlier date as the trustees may designate; and the balance, if any, to provide benefits permitted by Internal Revenue Code ("IRC") Section 501(c)(9), as the Plan manager may determine.

NOTE E - PARTIES-IN-INTEREST

Plan assets are invested in the money market account managed by Comerica, the custodian of the Plan; therefore, these transactions qualify as parties-in-interest transactions.

NOTE F - TAX STATUS

The trust established under the Plan to hold the Plan's net assets is qualified pursuant to Section 501(c)(9) of the IRC as a VEBA and, accordingly, the trust's net investment income is exempt from income taxes. The Plan and trust are required to operate in conformity with the IRC to maintain the tax-exempt status of the trust. The trust has received a favorable tax determination letter from the Internal Revenue Service and the DSRA VBOD believes that the trust continues to qualify and to operate as designed.

Delphi Salaried Retirees Association Benefit Trust
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2009

NOTE G - SUBSEQUENT EVENTS

The Plan evaluated its December 31, 2009 financial statements for subsequent events through April 15, 2011, the date the financial statements were available to be issued, and noted that there were no material subsequent events that required recognition or additional disclosures.

SUPPLEMENTAL SCHEDULES

Delphi Salaried Retirees Association Benefit Trust
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2009

Identity of issuer/ description of investment	Cost	Current value
*Comerica Bank money market account	\$8,509,261	\$8,509,261

*Represents a party-in-interest.

Delphi Salaried Retirees Association Benefit Trust
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Period from September 1, 2009 (inception) through December 31, 2009

<u>Identity of party</u>	<u>Description of asset</u>	<u>Purchase price</u>	<u>Selling price</u>	<u>Cost of asset</u>	<u>Net gain (loss)</u>
Comerica Bank	Money market account	\$8,763,222	\$253,961	\$253,961	\$ -