



August 3, 2007

Dear Distribution Partner,

The entire market price adjustment scheduled for implementation on August 6, 2007 will be postponed until September 4, 2007. This difficult decision is solely due to the unforeseen delivery issues DCS is experiencing as a result of launching our third wave of SAP in our Mexico East Operations.

Although the current delivery issues and the market price adjustment are clearly independent events, DCS recognizes that these delivery disruptions are having a considerable impact to many of our customers and consuming significant resources for all parties involved. This postponement is intended to both allow DCS an opportunity to improve on our current delivery performance and equally provide our customers with the additional time to properly implement the market price adjustment.

The market price adjustment will be implemented effective September 4, 2007. As previously communicated, this market price adjustment is supported by our in-depth market analysis and long term portfolio strategy. DCS maintains that this market price adjustment insures that our product lines are both accurately and competitively priced.

DCS fully appreciates the understanding and patience that has been exhibited by our customers and distribution partners during this difficult conversion to SAP in our Mexico East Operations.

Please understand that DCS has worked very hard to be a high quality, market competitive supplier. DCS is committed to providing the best products and services to our customers. We stand committed to support your efforts through this market adjustment.

Sincerely,

Delphi Corporation