DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST

FINANCIAL STATEMENTS

December 31, 2012

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December 31, 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Delphi Salaried Retirees Association
Voluntary Employee Benefits Association

We have audited the accompanying financial statements of the Delphi Salaried Retirees Association Benefit Trust (the "Plan"), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Plan management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Delphi Salaried Retirees Association Benefit Trust as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012, in accordance with basis of accounting described in Note 2.

member
CPA Associates International, Inc.

Amherst • East Aurora
100 Corporate Parkway - Suite 200, Amherst, New York 14226 • 716.250.6600 • Fax: 716.250.6605

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Gaines Kriner Elliott LLP

Amherst, New York
July 29, 2013

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)
As of December 31, 2012 and 2011

ASSETS	2012	2011
Investments, at fair value (Note 3)		
Money market accounts	$ 700,334	$ 1,154,365
Mutual funds	11,895,660	15,335,663
Net assets available for benefits	$ 12,595,994	$ 16,490,028

The accompanying notes are an integral part of these financial statements.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)
For the year ended December 31, 2012

Additions to Net Assets Attributed to:	
Investment income	
Interest and dividends	$ 379,502
Net appreciation in fair value of investments - mutual funds	515,709
Realized gain	120,655
Net investment income	1,015,866
Contributions	
Retiree contributions	14,803,676
Health coverage tax credits	26,316,758
Other	325,728
Net contributions	41,446,162
Total additions	42,462,028
Deductions from Net Assets Attributed to:	
Hardship payments	114,015
Insurance premiums	41,047,296
Early retiree reinsurance program distributions - paid directly to participants	3,855,990
Contracted administrator fees	621,196
Early retiree reinsurance program fees	283,016
Administrative expenses	434,549
Total deductions	46,356,062
Net decrease for the year	(3,894,034)
Net Assets Available for Benefits:	
Beginning of year	16,490,028
End of year	$ 12,595,994

The accompanying notes are an integral part of these financial statements.

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the Plan is provided for general purposes only. Participants should refer to the Plan document for more complete information.

General - The Delphi Salaried Retirees Association Benefit Trust (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 described in the Plan document.

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 alternative 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 ("ERISA"), as amended.

Administration of the Plan - The DSRA VEBA is the Plan sponsor and its Board of Directors ("VBOD") administers the Plan. The VBOD has contracted with a third-party, Marsh, Inc., to administer the benefits under the Plan, and 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. Superior Vision Services, Inc., MetLife, Hartford, and Benistar Administrative Services provide vision claims, over 65 life insurance, Medicare supplemental 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 and the 1114 Committee (entered in Case No. 05-4481, United States Bankruptcy Court S.D. New York, as may be modified from time to time) (hereinafter referred to as the "Settlement Agreement") and by premium contributions from 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 the 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.

The Early Retiree Reinsurance Program (ERRP) was established by the Patient Protection and Affordable Care Act. Congress appropriated funding of $5 billion for this temporary ERRP to provide financial assistance to employers, union, and state and local governments to help them maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare, including their spouses, surviving spouses, and dependents.

The DSRA VEBA submitted an application for reimbursement from the ERRP in 2010 and received reimbursements of $10,997,564 in 2011. Reimbursements have been and will continue to be used to reduce the Plan participants' health care costs through direct payments to participants. All ERRP funds plan to be distributed to participants by the end of December 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting - The financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under the modified cash basis of accounting, contributions and income are recorded when received and distributions and expenses are recorded when paid.

Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures that are included in these financial statements. Actual results could differ from management's estimates and assumptions.

Investments - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between knowledgeable unrelated parties at the measurement date. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Benefits - 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's provisions.

Subsequent Events - The Plan evaluated all events subsequent to December 31, 2012 through July 29, 2013, the date the financial statements were available to be issued. No events subsequent to December 31, 2012 required recognition or disclosure.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Plan uses a fair value hierarchy that prioritizes the valuation assumptions used to measure fair value. This hierarchy consists of three broad levels: **Level 1** - assumptions rely on quoted prices in active markets for identical assets and must be used when available, **Level 2** - assumptions rely on quoted prices for similar, but not identical, assets, and **Level 3** - assumptions generally are developed by the reporting entity, and may only be utilized when Level 1 and Level 2 information is not available. The Plan uses appropriate valuation techniques on the available information to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used by the Plan.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2012 and 2011.

Level 1 Fair Value Measurements - The fair value of money market funds and mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONT'D)

The following table sets forth, by level with the fair value hierarchy, the Plan's assets (all Level 1) at fair value as of December 31, 2012 and 2011:

	2012	2011
Money market accounts	$ 700,334	$ 1,154,365
Mutual funds		
Short-term bond	4,370,133	5,781,286
Intermediate-term bond	4,355,920	6,005,592
Large cap growth	1,265,855	1,595,043
Large cap value	1,128,698	1,315,791
High-yield	270,989	-
Mid cap value	150,227	195,718
Mid cap growth	143,207	197,225
Small cap growth	106,867	124,068
Small blend	103,764	120,940
Total assets at fair value	$12,595,994	$16,490,028

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are 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.

NOTE 4 - INVESTMENTS

The Plan's investments are held by Comerica, the custodian for the trust that holds the Plan's assets. The following table presents the fair values of the Plan's investments that represent 5% or more of the Plan's net assets:

	2012	2011
Money Market		
Invesco AIM Premier Portfolio	$ 691,325	$ 1,051,361
Mutual Funds		
T. Rowe Price Growth Stock Fund	1,116,264	1,296,033
T. Rowe Price Equity Inc. Fund	1,128,698	1,315,791
T. Rowe Price New Income Fund	4,355,920	6,005,592
T. Rowe Price Short-Term Bond Fund	4,370,133	5,781,286
All other investments less than 5%	933,654	1,039,965
	$12,595,994	$16,490,028

NOTE 5 - RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds managed by T. Rowe Price, the Plan's investment advisor. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

NOTE 6 - 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 Internal Revenue Code 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 Internal Revenue Code to maintain the tax-exempt status of the trust. The trust has received a favorable tax exemption letter form the IRS and the DSRA VBOD believes that the trust continues to qualify and operate as designed.

Plan management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - TERMINATION OF THE PLAN

Although it has not expressed any intention to do so, the DSRA VEBA reserves the right to amend, modify, or terminate 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 Section 501(c)(9), as the Plan manager may determine.

NOTE 8 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
As of December 31, 2012

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Invesco AIM Premier Portfolio	Money market account	$ 691,325	$ 691,325
*	T. Rowe Price Summit Funds, Inc. Cash	Money market account	9,009	9,009
	Total money market accounts			700,334
*	T. Rowe Price Short Term Bond Fund	Mutual fund	4,370,569	4,370,133
*	T. Rowe Price New Income Fund	Mutual fund	4,258,058	4,355,920
*	T. Rowe Price Equity Inc. Fund	Mutual fund	965,872	1,128,698
*	T. Rowe Price Growth Stock Fund	Mutual fund	901,883	1,116,264
*	T. Rowe Price High-Yield Fund	Mutual fund	261,763	270,989
*	T. Rowe Price Mid Cap Value Fund	Mutual fund	139,040	150,227
*	T. Rowe Price Spectrum Growth Fund	Mutual fund	137,725	149,591
*	T. Rowe Price Mid Cap Growth	Mutual fund	139,470	143,207
*	T. Rowe Price New Horizons Fund Inc.	Mutual fund	102,051	106,867
*	T. Rowe Price Small Cap Value Fund	Mutual fund	89,652	103,764
	Total mutual funds			11,895,660
	Total assets available for benefits			$12,595,994

* Party-in-interest

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 2012

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FEDERAL EIN# 26-4594868
PLAN # 501

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Single transactions (Category (i)) that amount to more than 5% of the beginning value of Plan assets						
Invesco	AIM Premier Portfolio	$ 1,540,000	$ -	$ -	$ -	$ -
Invesco	AIM Premier Portfolio	-	1,491,000	1,491,000	1,491,000	-
T. Rowe Price	T. Rowe Price New Income Fund	-	875,000	857,469	875,000	17,531
T. Rowe Price	T. Rowe Price New Income Fund	-	875,000	867,854	875,000	7,146
Series of transactions (Category (iii)) with respect to securities of the same issue that amount, in the aggregate, to more than 5% of the beginning value of Plan assets						
Invesco	AIM Premier Portfolio					
	Purchases - 58 transactions	$ 4,392,873	$ -	$ -	$ -	$ -
	Sales - 65 transactions	-	4,752,909	4,752,909	4,752,909	-
T. Rowe Price	T. Rowe Price New Income Fund					
	Purchases - 31 transactions	453,756	-	-	-	-
	Sales - 11 transactions	-	2,200,000	2,173,599	2,200,000	26,401
T. Rowe Price	T. Rowe Price Short Term Bond Fund					
	Purchases - 27 transactions	353,466	-	-	-	-
	Sales - 9 transactions	-	1,810,000	1,798,642	1,810,000	11,358