

**FOR RELEASE:** February 4, 2014

**DELPHI REPORTS FOURTH QUARTER AND FULL YEAR 2013 FINANCIAL RESULTS**

**GILLINGHAM, England** - Delphi Automotive PLC (NYSE: DLPH), a leading global vehicle components manufacturer, today reported fourth quarter U.S. GAAP earnings of $0.97 per diluted share. Excluding special items, earnings increased 24% to $1.12 per diluted share.

**Fourth Quarter Highlights include:**

* **Revenue of $4.2 billion, up 11%**
* **U.S. GAAP diluted earnings per share of $0.97, up 126%**
	1. **Excluding special items, earnings of $1.12 per diluted share, up 24%**
* **Adjusted Operating Income of $472 million, up 33%**
	1. **Adjusted Operating Income margin of 11.3%, up 190 basis points**
* **Adjusted EBITDA of $611 million, up 26%**
	1. **Adjusted EBITDA margin of 14.6%, up 170 basis points**
* **Returned $147 million to shareholders through share repurchases and dividends**

**Full Year 2013 Highlights include:**

* **Revenue of $16.5 billion, up 6%**
* **U.S. GAAP diluted earnings per share of $3.89, up 17%**
	1. **Excluding special items, earnings of $4.40 per diluted share, up 15%**
* **Adjusted Operating Income of $1,844 million, up 10%**
	1. **Adjusted Operating Income margin of 11.2%, up 40 basis points**
* **Adjusted EBITDA of $2,384 million, up 11%**
	1. **Adjusted EBITDA margin of 14.5%, up 70 basis points**
* **Generated $1.8 billion of cash from operations, up 18%**
* **Returned $668 million** **to shareholders through share repurchases and dividends**

 “Delphi's fourth quarter financial results demonstrate the consistently high level of execution by Delphi's team," said Rodney O'Neal, chief executive officer and president. "In 2013, we were able to deliver exceptional value to both our global customers and our shareholders. Our strong performance provides significant momentum as we enter 2014."

**Fourth Quarter 2013 Results**

The Company reported fourth quarter 2013 revenue of $4.2 billion, an increase of 11% over the fourth quarter of 2012, reflecting continued strong growth in Asia and North America. Adjusted for the impacts of currency exchange, commodity movements, acquisitions and divestitures, revenue increased by 8% in the fourth quarter. This reflects growth of 14% in Asia, 9% in North America and 7% in Europe, partially offset by declines of 6% in South America.

The Company reported fourth quarter U.S. GAAP net income of $298 million and earnings of $0.97 per diluted share, compared to $136 million and $0.43 per diluted share in the prior year period. Fourth quarter net income excluding special items consisting of restructuring-related charges, asset impairments, acquisition-related integration and transaction costs, and losses on extinguishment of debt ("Adjusted Net Income"), totaled $345 million, or $1.12 per diluted share, which includes the unfavorable impact of an increased effective tax rate as well as the favorable impact of a reduced share count. Adjusted Net Income in the prior year period was $287 million, or $0.90 per diluted share.

Fourth quarter earnings before interest expense, other income (expense), income tax expense, equity income, restructuring and acquisition-related integration costs ("Adjusted Operating Income") was $472 million, compared to $355 million in the prior year period. Adjusted Operating Income margin was 11.3% in the fourth quarter of 2013, an increase of 190 basis points compared with 9.4% in the prior year period.

Fourth quarter earnings before depreciation and amortization, interest expense, other income (expense), income tax expense, equity income, restructuring and acquisition-related integration costs (“Adjusted EBITDA”) was $611 million, compared to $486 million in the prior year period. Adjusted EBITDA margin increased 170 basis points in the fourth quarter of 2013 to 14.6%, compared with 12.9% in the prior year period. The increase in Adjusted EBITDA reflects the continued strong performance and growth of our businesses in Asia and North America, as well as the benefits of our on-going European restructuring programs initiated in late 2012.

Interest expense for the fourth quarter totaled $37 million, comparable to $36 million in the prior year period. Tax expense in the fourth quarter of 2013 was $74 million, resulting in an effective tax rate of approximately 19%, compared to a tax benefit of $15 million in the prior year period. The increase reflects higher pretax earnings, as well as the geographic mix of pretax earnings.

**Full Year 2013 Results**

For full year 2013, the Company reported revenue of $16.5 billion, an increase of 6% compared to 2012. Adjusted for the impacts of currency exchange, commodity movements, acquisitions and divestitures, revenue increased by 1%. This reflects growth of 11% in Asia, 5% in North America and 2% in South America, partially offset by a 6% decline in Europe.

The Company reported full year 2013 U.S. GAAP net income of $1.2 billion and earnings of $3.89 per diluted share, compared to $1.1 billion or $3.33 per diluted share in the prior year. Full year 2013 Adjusted Net Income totaled $1.4 billion, or $4.40 per diluted share, which includes the favorable impact of share repurchases in 2013, compared to Adjusted Net Income of $1.2 billion, or $3.84 per diluted share, in the prior year.

Adjusted Operating Income totaled $1,844 million for the full year 2013, compared to $1,671 million in the prior year period. Adjusted Operating Income margin was 11.2% for the full year 2013, an improvement of 40 basis points compared with 10.8% in the prior year period.

Full year 2013 Adjusted EBITDA totaled $2,384 million, compared to $2,142 million in the prior year period. Adjusted EBITDA margin for the full year 2013 improved 70 basis points to 14.5%, from 13.8% in the prior year period. The increase in Adjusted EBITDA reflects the strong performance of our businesses in Asia and North America and the increased earnings from the acquisition of MVL, partially offset by sales declines in Europe.

Interest expense for 2013 totaled $143 million, compared to $136 million in the prior year period. Additionally, the first quarter of 2013 included a net loss on retirement of debt totaling $39 million. Tax expense for 2013 was $256 million, resulting in an effective tax rate of approximately 17%, compared to $212 million, or an effective rate of 16%, in the prior year period. The increase in 2013 reflects higher pretax earnings, as well as the geographic mix of pretax earnings.

The Company generated net cash flow from operating activities of $1.8 billion in 2013, compared to $1.5 billion in the prior year period. Cash flow before financing totaled $1.1 billion compared to $0.8 billion in the prior year period. As of December 31, 2013, the Company had cash and cash equivalents of $1.4 billion and access to $1.5 billion in undrawn committed revolving bank facilities, and total debt of $2.4 billion.

**Share Repurchase Program**

During the fourth quarter of 2013, Delphi repurchased 1.69 million shares for approximately $95 million under its existing $750 million share repurchase program, leaving approximately $190 million available for future share repurchases under this program. As previously disclosed, the Company's Board of Directors also authorized a new $1 billion share repurchase program, commencing upon the completion of the existing program. During the full year 2013, the Company repurchased 9.11 million shares for approximately $457 million. All repurchased shares were retired, and are reflected as a reduction of ordinary share capital for the par value of the shares, with the excess applied as reductions to additional paid-in capital and retained earnings.

**Q1 2014 and Full Year 2014 Outlook**

The Company's first quarter and full year 2014 financial guidance is as follows:

|  |  |  |
| --- | --- | --- |
| *(in millions, except per share amounts)* | *Q1* *2014* | *Full Year* *2014* |
| Revenue | $4,200 - $4,300 | $17,200 - $17,600 |
| Adjusted Operating income | $435 - $460 | $1,950 - $2,050 |
| Adjusted Operating income Margin | 10.4% - 10.7% | 11.3% - 11.6% |
| Adjusted Earnings Per Share | $1.04 - $1.08 | $4.70 - $4.95 |
| Cash Flow Before Financing |  | $1,100 |
| Capital Expenditures |  | $800 |
| Depreciation and Amortization |  | $600 |
| Adjusted Effective Tax Rate |  | 18% |
| Share Count – Diluted |  | 309 |

Full year 2014 mid-point earnings per share guidance represents 10% growth year-over-year, and assumes global vehicle production increases of 3%.

**Conference Call and Webcast**

The Company will host a conference call to discuss these results at 9:00 a.m. (ET) today, which is accessible by dialing 888.486.0553 (US domestic) or 706.634.4982 (international) or through a webcast at http://investor.delphi.com/. The conference ID number is 34601527. A slide presentation will accompany the prepared remarks and has been posted on the investor relations section of the Company's website. A replay will be available two hours following the conference call.

**Use of Non-GAAP Financial Information**

This press release contains information about Delphi's financial results which are not presented in accordance with accounting principles generally accepted in the United States (“GAAP”). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures at the end of this press release. Non-GAAP measures should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures of other companies.

**About Delphi**

Delphi Automotive PLC (NYSE: DLPH) is a leading global supplier of technologies for the automotive and commercial vehicle markets.  Headquartered in Gillingham, U.K., Delphi operates major technical centers, manufacturing sites and customer support services in 32 countries, with regional headquarters in Bascharage, Luxembourg; Sao Paulo; Shanghai and Troy, Mich.  Delphi delivers innovation for the real world with technologies that make cars and trucks smarter and safer as well as more powerful and efficient. Visit www.delphi.com.

**FORWARD-LOOKING STATEMENTS**

This press release, as well as other statements made by Delphi Automotive PLC (the “Company”), contain forward-looking statements that reflect, when made, the Company's current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company's operations and business environment, which may cause the actual results of the Company to be materially different from any future results.  All statements that address future operating, financial or business performance or the Company's strategies or expectations are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed under the captions “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” in the Company's filings with the Securities and Exchange Commission.  New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company.  It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.

# # #

**DELPHI AUTOMOTIVE PLC**

**CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|   |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|   |  | **(in millions, except****per share amounts)** |  | **(in millions, except****per share amounts)** |
| Net sales |  | $ | 4,182 |  |  | $ | 3,767 |  |  | $ | 16,463 |  |  | $ | 15,519 |  |
| Operating expenses: |  |  |  |  |  |  |  |  |
| Cost of sales |  | 3,426 |  |  | 3,158 |  |  | 13,567 |  |  | 12,861 |  |
| Selling, general and administrative |  | 264 |  |  | 254 |  |  | 963 |  |  | 927 |  |
| Amortization |  | 25 |  |  | 24 |  |  | 104 |  |  | 84 |  |
| Restructuring |  | 50 |  |  | 154 |  |  | 145 |  |  | 171 |  |
| Total operating expenses |  | 3,765 |  |  | 3,590 |  |  | 14,779 |  |  | 14,043 |  |
| Operating income |  | 417 |  |  | 177 |  |  | 1,684 |  |  | 1,476 |  |
| Interest expense |  | (37 | ) |  | (36 | ) |  | (143 | ) |  | (136 | ) |
| Other income (expense), net |  | 7 |  |  | (10 | ) |  | (18 | ) |  | 5 |  |
| Income before income taxes and equity income |  | 387 |  |  | 131 |  |  | 1,523 |  |  | 1,345 |  |
| Income tax (expense) benefit |  | (74 | ) |  | 15 |  |  | (256 | ) |  | (212 | ) |
| Income before equity income |  | 313 |  |  | 146 |  |  | 1,267 |  |  | 1,133 |  |
| Equity income, net of tax |  | 8 |  |  | 9 |  |  | 34 |  |  | 27 |  |
| Net income |  | 321 |  |  | 155 |  |  | 1,301 |  |  | 1,160 |  |
| Net income attributable to noncontrolling interest |  | 23 |  |  | 19 |  |  | 89 |  |  | 83 |  |
| Net income attributable to Delphi |  | $ | 298 |  |  | $ | 136 |  |  | $ | 1,212 |  |  | $ | 1,077 |  |
| Diluted net income per share: |  |  |  |  |  |  |  |  |
| Diluted net income per share attributable to Delphi |  | $ | 0.97 |  |  | $ | 0.43 |  |  | $ | 3.89 |  |  | $ | 3.33 |  |
| Weighted average number of diluted shares outstanding |  | 308.64 |  |  | 317.38 |  |  | 311.80 |  |  | 323.29 |  |

**DELPHI AUTOMOTIVE PLC**

**CONSOLIDATED BALANCE SHEETS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **December 31, 2013** |  | **December 31, 2012** |
|  |  | **(unaudited)** |  |
|   |  | **(in millions)** |
| **ASSETS** |  |  |  |  |
| Current assets: |  |  |  |  |
| Cash and cash equivalents |  | $ | 1,389 |  |  | $ | 1,105 |  |
| Restricted cash |  | 4 |  |  | 8 |  |
| Accounts receivable, net |  | 2,662 |  |  | 2,425 |  |
| Inventories |  | 1,093 |  |  | 1,066 |  |
| Other current assets |  | 604 |  |  | 623 |  |
| Total current assets |  | 5,752 |  |  | 5,227 |  |
| Long-term assets: |  |  |  |  |
| Property, net |  | 3,216 |  |  | 2,860 |  |
| Investments in affiliates |  | 234 |  |  | 231 |  |
| Intangible assets, net |  | 723 |  |  | 803 |  |
| Goodwill |  | 496 |  |  | 473 |  |
| Other long-term assets |  | 626 |  |  | 582 |  |
| Total long-term assets |  | 5,295 |  |  | 4,949 |  |
| Total assets |  | $ | 11,047 |  |  | $ | 10,176 |  |
| **LIABILITIES AND SHAREHOLDERS’ EQUITY** |  |  |  |  |
| Current liabilities: |  |  |  |  |
| Short-term debt |  | $ | 61 |  |  | $ | 140 |  |
| Accounts payable |  | 2,595 |  |  | 2,278 |  |
| Accrued liabilities |  | 1,238 |  |  | 1,241 |  |
| Total current liabilities |  | 3,894 |  |  | 3,659 |  |
| Long-term liabilities: |  |  |  |  |
| Long-term debt |  | 2,351 |  |  | 2,324 |  |
| Pension benefit obligations |  | 959 |  |  | 929 |  |
| Other long-term liabilities |  | 409 |  |  | 434 |  |
| Total long-term liabilities |  | 3,719 |  |  | 3,687 |  |
| Total liabilities |  | 7,613 |  |  | 7,346 |  |
| Commitments and contingencies |  |  |  |  |
| Total Delphi shareholder's equity |  | 2,911 |  |  | 2,345 |  |
| Noncontrolling interest |  | 523 |  |  | 485 |  |
| Total shareholders’ equity |  | 3,434 |  |  | 2,830 |  |
| Total liabilities and shareholders’ equity |  | $ | 11,047 |  |  | $ | 10,176 |  |

**DELPHI AUTOMOTIVE PLC**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited)**

|  |  |  |
| --- | --- | --- |
|   |  | **Year Ended** |
|  |  | **December 31,** |
|   |  | **2013** |  | **2012** |
|   |  | **(in millions)** |
| Cash flows from operating activities: |  |  |  |  |
| Net income |  | $ | 1,301 |  |  | $ | 1,160 |  |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |  |  |  |
| Depreciation and amortization |  | 540 |  |  | 486 |  |
| Deferred income taxes |  | (50 | ) |  | (63 | ) |
| Income from equity method investments, net of dividends received |  | (4 | ) |  | (1 | ) |
| Loss on extinguishment of debt |  | 39 |  |  | 1 |  |
| Other, net |  | 99 |  |  | 164 |  |
| Changes in operating assets and liabilities: |  |  |  |  |
| Accounts receivable, net |  | (237 | ) |  | 198 |  |
| Inventories |  | (27 | ) |  | 49 |  |
| Accounts payable |  | 254 |  |  | (153 | ) |
| Other, net |  | (56 | ) |  | (294 | ) |
| Pension contributions |  | (109 | ) |  | (69 | ) |
| Net cash provided by operating activities |  | 1,750 |  |  | 1,478 |  |
| Cash flows from investing activities: |  |  |  |  |
| Capital expenditures |  | (682 | ) |  | (705 | ) |
| Proceeds from sale of property / investments |  | 33 |  |  | 20 |  |
| Cost of business and technology acquisitions, net of cash acquired |  | (10 | ) |  | (980 | ) |
| Decrease (Increase) in restricted cash |  | 4 |  |  | 1 |  |
| Loans to related parties |  | — |  |  | 14 |  |
| Acquisition of minority held shares |  | — |  |  | (16 | ) |
| Dividends from equity method investments in excess of earnings |  | — |  |  | 37 |  |
| Other, net |  | — |  |  | (2 | ) |
| Net cash used in investing activities |  | (655 | ) |  | (1,631 | ) |
| Cash flows from financing activities: |  |  |  |  |
| (Decrease) increase in short and long-term debt, net |  | (85 | ) |  | 345 |  |
| Dividend payments of consolidated affiliates to minority shareholders |  | (55 | ) |  | (47 | ) |
| Repurchase of ordinary shares |  | (457 | ) |  | (403 | ) |
| Distribution of cash dividends |  | (211 | ) |  | — |  |
| Taxes withheld and paid on employees' restricted share awards |  | (14 | ) |  | — |  |
| Net cash used in financing activities |  | (822 | ) |  | (105 | ) |
| Effect of exchange rate fluctuations on cash and cash equivalents |  | 11 |  |  | — |  |
| Decrease in cash and cash equivalents |  | 284 |  |  | (258 | ) |
| Cash and cash equivalents at beginning of period |  | 1,105 |  |  | 1,363 |  |
| Cash and cash equivalents at end of period |  | $ | 1,389 |  |  | $ | 1,105 |  |

**DELPHI AUTOMOTIVE PLC**

**FOOTNOTES**

**(unaudited)**

**1. Segment Summary**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Three Months Ended** |  |  | **Year Ended** |  |
|  | **December 31,** |  |  | **December 31,** |  |
|  | **2013** |  | **2012** |  | **%** |  | **2013** |  | **2012** |  | **%** |
|  | **(in millions)** |  |  |  | **(in millions)** |  |  |
| Net sales |  |  |  |  |  |  |  |  |  |  |  |
| Electrical/Electronic Architecture | $ | 2,051 |  |  | $ | 1,766 |  |  | 16 | % |  | $ | 7,972 |  |  | $ | 6,815 |  |  | 17 | % |
| Powertrain Systems | 1,108 |  |  | 1,059 |  |  | 5 | % |  | 4,424 |  |  | 4,656 |  |  | (5 | )% |
| Electronics and Safety | 707 |  |  | 640 |  |  | 10 | % |  | 2,830 |  |  | 2,732 |  |  | 4 | % |
| Thermal Systems | 371 |  |  | 349 |  |  | 6 | % |  | 1,468 |  |  | 1,541 |  |  | (5 | )% |
| Eliminations and Other (a) | (55 | ) |  | (47 | ) |  |  |  | (231 | ) |  | (225 | ) |  |  |
| Net sales | $ | 4,182 |  |  | $ | 3,767 |  |  |  |  | $ | 16,463 |  |  | $ | 15,519 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Adjusted EBITDA |  |  |  |  |  |  |  |  |  |  |  |
| Electrical/Electronic Architecture | $ | 318 |  |  | $ | 231 |  |  | 38 | % |  | $ | 1,237 |  |  | $ | 945 |  |  | 31 | % |
| Powertrain Systems | 177 |  |  | 148 |  |  | 20 | % |  | 671 |  |  | 723 |  |  | (7 | )% |
| Electronics and Safety | 99 |  |  | 91 |  |  | 9 | % |  | 396 |  |  | 363 |  |  | 9 | % |
| Thermal Systems | 17 |  |  | 16 |  |  | 6 | % |  | 80 |  |  | 111 |  |  | (28 | )% |
| Eliminations and Other (a) | — |  |  | — |  |  |  |  | — |  |  | — |  |  |  |
| Adjusted EBITDA | $ | 611 |  |  | $ | 486 |  |  |  |  | $ | 2,384 |  |  | $ | 2,142 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| (a) Eliminations and Other includes the elimination of inter-segment transactions. |  |  |  |  |

**2. Weighted Average Number of Diluted Shares Outstanding**

The following table illustrates the weighted average shares outstanding used in calculating basic and diluted net income per share attributable to Delphi for the three months and years ended December 31, 2013 and 2012:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|  |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|   |  | **(in millions, except per share data)** |
| Weighted average ordinary shares outstanding, basic |  | 307.08 |  |  | 316.8 |  |  | 310.82 |  |  | 322.94 |  |
| Dilutive shares related to RSUs |  | 1.56 |  |  | 0.58 |  |  | 0.98 |  |  | 0.35 |  |
| Weighted average ordinary shares outstanding, including dilutive shares |  | 308.64 |  |  | 317.38 |  |  | 311.80 |  |  | 323.29 |  |
| Net income per share attributable to Delphi: |  |  |  |  |  |  |  |  |
| Basic |  | $ | 0.97 |  |  | $ | 0.43 |  |  | $ | 3.90 |  |  | $ | 3.34 |  |
| Diluted |  | $ | 0.97 |  |  | $ | 0.43 |  |  | $ | 3.89 |  |  | $ | 3.33 |  |

**DELPHI AUTOMOTIVE PLC**

**RECONCILIATION OF NON-GAAP MEASURES**

**(unaudited)**

In this press release the Company has provided information regarding certain non-GAAP financial measures, including "Adjusted EBITDA", "Adjusted Operating Income", "Adjusted Net Income", "Adjusted Net Income per Share" and "cash flow before financing". Such non-GAAP financial measures are reconciled to their closest GAAP financial measure in the following schedules.

**Adjusted EBITDA**: Adjusted EBITDA is presented as a supplemental measure of the Company's performance which is consistent with the basis and manner in which management presents financial information for the purpose of making internal operating decisions. Adjusted EBITDA is defined as net income (loss) before depreciation and amortization (including long-lived asset and goodwill impairment), interest expense, other income (expense), net, income tax expense, restructuring, acquisition integration costs and equity income (loss), net of tax. Not all companies use identical calculations of Adjusted EBITDA therefore this presentation may not be comparable to other similarly titled measures of other companies. The Company's 2014 guidance was determined using a consistent manner and methodology.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated Adjusted EBITDA** |  |  |  |  |  |  |  |  |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|  |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|  |  | **(in millions)** |
| Net income attributable to Delphi |  | $ | 298 |  |  | $ | 136 |  |  | $ | 1,212 |  |  | $ | 1,077 |  |
| Income tax expense (benefit) |  | 74 |  |  | (15 | ) |  | 256 |  |  | 212 |  |
| Interest expense |  | 37 |  |  | 36 |  |  | 143 |  |  | 136 |  |
| Other (income) expense, net |  | (7 | ) |  | 10 |  |  | 18 |  |  | (5 | ) |
| Noncontrolling interest |  | 23 |  |  | 19 |  |  | 89 |  |  | 83 |  |
| Equity income, net of tax |  | (8 | ) |  | (9 | ) |  | (34 | ) |  | (27 | ) |
| Operating income |  | 417 |  |  | 177 |  |  | 1,684 |  |  | 1,476 |  |
| Depreciation and amortization |  | 139 |  |  | 146 |  |  | 540 |  |  | 486 |  |
| EBITDA |  | $ | 556 |  |  | $ | 323 |  |  | $ | 2,224 |  |  | $ | 1,962 |  |
| Restructuring |  | 50 |  |  | 154 |  |  | 145 |  |  | 171 |  |
| Other acquisition-related costs |  | 5 |  |  | 9 |  |  | 15 |  |  | 9 |  |
| Adjusted EBITDA |  | $ | 611 |  |  | $ | 486 |  |  | $ | 2,384 |  |  | $ | 2,142 |  |

**Adjusted Operating Income**: Adjusted Operating Income is presented as a supplemental measure of the Company's performance. Adjusted Operating Income is defined as net income (loss) before interest expense, other income (expense), net, income tax expense, restructuring, acquisition integration costs, asset impairments and equity income (loss), net of tax. Not all companies use identical calculations of Adjusted Operating Income therefore this presentation may not be comparable to other similarly titled measures of other companies. The Company's 2014 guidance was determined using a consistent manner and methodology.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Consolidated Adjusted Operating Income** |  |  |  |  |  |  |  |  |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|  |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|  |  | **(in millions)** |
| Net income attributable to Delphi |  | $ | 298 |  |  | $ | 136 |  |  | $ | 1,212 |  |  | $ | 1,077 |  |
| Income tax expense (benefit) |  | 74 |  |  | (15 | ) |  | 256 |  |  | 212 |  |
| Interest expense |  | 37 |  |  | 36 |  |  | 143 |  |  | 136 |  |
| Other (income) expense, net |  | (7 | ) |  | 10 |  |  | 18 |  |  | (5 | ) |
| Noncontrolling interest |  | 23 |  |  | 19 |  |  | 89 |  |  | 83 |  |
| Equity income, net of tax |  | (8 | ) |  | (9 | ) |  | (34 | ) |  | (27 | ) |
| Operating income |  | 417 |  |  | 177 |  |  | 1,684 |  |  | 1,476 |  |
| Restructuring |  | 50 |  |  | 154 |  |  | 145 |  |  | 171 |  |
| Other acquisition-related costs |  | 5 |  |  | 9 |  |  | 15 |  |  | 9 |  |
| Asset impairments |  | — |  |  | 15 |  |  | — |  |  | 15 |  |
| Adjusted Operating Income |  | $ | 472 |  |  | $ | 355 |  |  | $ | 1,844 |  |  | $ | 1,671 |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Segment Adjusted EBITDA** |  |  |  |  |  |  |  |  |  |  |  |
| **(in millions)** |  |  |  |  |  |  |  |  |  |  |  |
| **Three Months Ended December 31, 2013** | **Electrical/ Electronic Architecture** |  | **Powertrain Systems** |  | **Electronics and Safety** |  | **Thermal Systems** |  | **Eliminations and Other** |  | **Total** |
| Operating income | $ | 249 |  |  | $ | 97 |  |  | $ | 69 |  |  | $ | 2 |  |  | $ | — |  |  | $ | 417 |  |
| Depreciation and amortization | 62 |  |  | 48 |  |  | 18 |  |  | 11 |  |  | — |  |  | 139 |  |
| EBITDA | $ | 311 |  |  | $ | 145 |  |  | $ | 87 |  |  | $ | 13 |  |  | $ | — |  |  | $ | 556 |  |
| Restructuring | 2 |  |  | 32 |  |  | 12 |  |  | 4 |  |  | — |  |  | 50 |  |
| Other acquisition-related costs | 5 |  |  | — |  |  | — |  |  | — |  |  | — |  |  | 5 |  |
| Adjusted EBITDA | $ | 318 |  |  | $ | 177 |  |  | $ | 99 |  |  | $ | 17 |  |  | $ | — |  |  | $ | 611 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Three Months Ended December 31, 2012** | **Electrical/ Electronic Architecture** |  | **Powertrain Systems** |  | **Electronics and Safety** |  | **Thermal Systems** |  | **Eliminations and Other** |  | **Total** |
| Operating income | $ | 127 |  |  | $ | 79 |  |  | $ | (30 | ) |  | $ | 1 |  |  | $ | — |  |  | $ | 177 |  |
| Depreciation and amortization | 52 |  |  | 48 |  |  | 35 |  |  | 11 |  |  | — |  |  | 146 |  |
| EBITDA | $ | 179 |  |  | $ | 127 |  |  | $ | 5 |  |  | $ | 12 |  |  | $ | — |  |  | $ | 323 |  |
| Restructuring | 43 |  |  | 21 |  |  | 86 |  |  | 4 |  |  | — |  |  | 154 |  |
| Other acquisition-related costs | 9 |  |  | — |  |  | — |  |  | — |  |  | — |  |  | 9 |  |
| Adjusted EBITDA | $ | 231 |  |  | $ | 148 |  |  | $ | 91 |  |  | $ | 16 |  |  | $ | — |  |  | $ | 486 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Year Ended December 31, 2013** | **Electrical/ Electronic Architecture** |  | **Powertrain Systems** |  | **Electronics and Safety** |  | **Thermal Systems** |  | **Eliminations and Other** |  | **Total** |
| Operating income | $ | 958 |  |  | $ | 431 |  |  | $ | 267 |  |  | $ | 28 |  |  | $ | — |  |  | $ | 1,684 |  |
| Depreciation and amortization | 236 |  |  | 188 |  |  | 73 |  |  | 43 |  |  | — |  |  | 540 |  |
| EBITDA | $ | 1,194 |  |  | $ | 619 |  |  | $ | 340 |  |  | $ | 71 |  |  | $ | — |  |  | $ | 2,224 |  |
| Restructuring | 28 |  |  | 52 |  |  | 56 |  |  | 9 |  |  |  |  | 145 |  |
| Other acquisition-related costs | 15 |  |  | — |  |  | — |  |  | — |  |  | — |  |  | 15 |  |
| Adjusted EBITDA | $ | 1,237 |  |  | $ | 671 |  |  | $ | 396 |  |  | $ | 80 |  |  | $ | — |  |  | $ | 2,384 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Year Ended December 31, 2012** | **Electrical/ Electronic Architecture** |  | **Powertrain Systems** |  | **Electronics and Safety** |  | **Thermal Systems** |  | **Eliminations and Other** |  | **Total** |
| Operating income | $ | 723 |  |  | $ | 516 |  |  | $ | 177 |  |  | $ | 60 |  |  | $ | — |  |  | $ | 1,476 |  |
| Depreciation and amortization | 164 |  |  | 182 |  |  | 97 |  |  | 43 |  |  | — |  |  | 486 |  |
| EBITDA | $ | 887 |  |  | $ | 698 |  |  | $ | 274 |  |  | $ | 103 |  |  | $ | — |  |  | $ | 1,962 |  |
| Restructuring | 49 |  |  | 25 |  |  | 89 |  |  | 8 |  |  | — |  |  | 171 |  |
| Other acquisition-related costs | 9 |  |  | — |  |  | — |  |  | — |  |  | — |  |  | 9 |  |
| Adjusted EBITDA | $ | 945 |  |  | $ | 723 |  |  | $ | 363 |  |  | $ | 111 |  |  | $ | — |  |  | $ | 2,142 |  |

**DELPHI AUTOMOTIVE PLC**

**RECONCILIATION OF NET EARNINGS TO ADJUSTED EARNINGS**

**(unaudited)**

**Adjusted Net Income and Adjusted Net Income Per Share:** Management believes adjusted net income and adjusted net income per share, which are non-GAAP measures, are useful in evaluating the ongoing operating performance of the Company. Adjusted Net Income is defined as net income (loss) before restructuring, acquisition integration costs, acquisition-related advisory and transaction costs, asset impairments and debt extinguishment costs. Adjusted Net Income Per Share is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding for the period. Not all companies use identical calculations of Adjusted Net Income and Adjusted Net Income Per Share, therefore this presentation may not be comparable to other similarly titled measures of other companies. The Company's 2014 guidance was determined using a consistent manner and methodology.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|  |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|  |  | **(in millions, except per share amounts)** |
| Net income attributable to Delphi |  | $ | 298 |  |  | $ | 136 |  |  | $ | 1,212 |  |  | $ | 1,077 |  |
| Adjusting items: |  |  |  |  |  |  |  |  |
| Restructuring charges |  | 50 |  |  | 154 |  |  | 145 |  |  | 171 |  |
| Acquisition-related integration costs |  | 5 |  |  | 9 |  |  | 15 |  |  | 9 |  |
| Acquisition-related advisory and transaction costs |  | — |  |  | 13 |  |  | — |  |  | 13 |  |
| Asset impairments |  | — |  |  | 15 |  |  | — |  |  | 15 |  |
| Debt extinguishment costs |  | — |  |  | — |  |  | 39 |  |  | 1 |  |
| Tax impact of adjusting items (a) |  | (8 | ) |  | (40 | ) |  | (40 | ) |  | (45 | ) |
| Adjusted net income attributable to Delphi |  | $ | 345 |  |  | $ | 287 |  |  | $ | 1,371 |  |  | $ | 1,241 |  |
|  |  |  |  |  |  |  |  |  |
| Weighted average number of diluted shares outstanding |  | 308.64 |  |  | 317.38 |  |  | 311.8 |  |  | 323.29 |  |
| Diluted net income per share attributable to Delphi |  | $ | 0.97 |  |  | $ | 0.43 |  |  | $ | 3.89 |  |  | $ | 3.33 |  |
| Adjusted net income per share |  | $ | 1.12 |  |  | $ | 0.90 |  |  | $ | 4.40 |  |  | $ | 3.84 |  |

|  |  |
| --- | --- |
| (a) | Represents the income tax impacts of the adjustments made for restructuring charges, acquisition-related integration costs, acquisition-related advisory and transaction costs, asset impairments and debt extinguishment costs, by calculating the income tax impact of these items using the appropriate tax rate for the jurisdiction where the charges were incurred. |

**Cash flow before financing:** Cash flow before financing is presented as a supplemental measure of the Company's liquidity which is consistent with the basis and manner in which management presents financial information for the purpose of making internal operating decisions. Cash flow before financing is defined as cash provided by (used in) operating activities plus cash provided by (used in) investing activities, adjusted for the purchase price of the MVL acquisition. Not all companies use identical calculations of cash flow before financing therefore this presentation may not be comparable to other similarly titled measures of other companies. The Company's 2014 guidance was determined using a consistent manner and methodology.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** |  | **Year Ended** |
|  |  | **December 31,** |  | **December 31,** |
|  |  | **2013** |  | **2012** |  | **2013** |  | **2012** |
|  |  | **(in millions)** |  | **(in millions)** |
| Cash flows from operating activities: |  |  |  |  |  |  |  |  |
| Net income |  | $ | 321 |  |  | $ | 155 |  |  | $ | 1,301 |  |  | $ | 1,160 |  |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |  |  |  |  |  |  |  |
| Depreciation and amortization |  | 139 |  |  | 146 |  |  | 540 |  |  | 486 |  |
| Working capital |  | 282 |  |  | 272 |  |  | (10 | ) |  | 94 |  |
| Pension contributions |  | (44 | ) |  | (27 | ) |  | (109 | ) |  | (69 | ) |
| Other, net |  | (18 | ) |  | (236 | ) |  | 28 |  |  | (193 | ) |
| Net cash provided by operating activities |  | 680 |  |  | 310 |  |  | 1,750 |  |  | 1,478 |  |
|  |  |  |  |  |  |  |  |  |
| Cash flows from investing activities: |  |  |  |  |  |  |  |  |
| Capital expenditures |  | (170 | ) |  | (142 | ) |  | (682 | ) |  | (705 | ) |
| Cost of MVL acquisition, net of cash acquired |  | — |  |  | (980 | ) |  | — |  |  | (980 | ) |
| Other, net |  | 10 |  |  | 17 |  |  | 27 |  |  | 54 |  |
| Net cash used in investing activities |  | (160 | ) |  | (1,105 | ) |  | (655 | ) |  | (1,631 | ) |
|  |  |  |  |  |  |  |  |  |
| Adjustment for cost of the MVL acquisition, net of cash acquired |  | — |  |  | 980 |  |  | — |  |  | 980 |  |
| Cash flow before financing |  | $ | 520 |  |  | $ | 185 |  |  | $ | 1,095 |  |  | $ | 827 |  |

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