Delphi Automotive PLC
Form 10-Q
July 31, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number: 001-35346

DELPHI AUTOMOTIVE PLC
(Exact name of registrant as specified in its charter)

Jersey	98-1029562
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Courteney Road
Hoath Way
Gillingham, Kent ME8 0RU
United Kingdom
(Address of principal executive offices)
011-44-163-423-4422
(Registrant’s telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x. No ¨.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x. No ¨.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x.	Accelerated filer	¨.
Non-accelerated filer	¨. (Do not check if a smaller reporting company)	Smaller reporting company	¨.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨. No x.

The number of the registrant's ordinary shares outstanding, $0.01 par value per share as of July 26, 2013, was 310,200,000.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
DELPHI AUTOMOTIVE PLC
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in millions, except per share amounts)			
Net sales	$4,240	$3,997	$8,264	$8,089
Operating expenses:				
Cost of sales	3,464	3,272	6,803	6,645
Selling, general and administrative	241	230	471	458
Amortization	26	19	52	40
Restructuring (Note 7)	26	8	58	14
Total operating expenses	3,757	3,529	7,384	7,157
Operating income	483	468	880	932
Interest expense	(36)	(33)	(72)	(68)
Other income (expense), net (Note 16)	5	5	(29)	12
Income before income taxes and equity income	452	440	779	876
Income tax expense	(73)	(98)	(110)	(175)
Income before equity income	379	342	669	701
Equity income, net of tax	10	8	18	12
Net income	389	350	687	713
Net income attributable to noncontrolling interest	22	20	44	41
Net income attributable to Delphi	$367	$330	$643	$672
Basic net income per share:				
Basic net income per share attributable to Delphi	$1.18	$1.01	$2.05	$2.05
Weighted average number of basic shares outstanding	311.93	325.87	313.30	327.06
Diluted net income per share:				
Diluted net income per share attributable to Delphi	$1.17	$1.01	$2.05	$2.05
Weighted average number of diluted shares outstanding	312.69	326.14	314.02	327.30
Cash dividends declared per share	$0.17	$—	$0.34	$—

See notes to consolidated financial statements.

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DELPHI AUTOMOTIVE PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in millions)			
Net income	$389	$350	$687	$713
Other comprehensive (loss) income:				
Currency translation adjustments	(39)	(151)	(117)	(73)
Net change in unrecognized (loss) gain on derivative instruments, net of tax (Note 14)	(45)	(15)	(39)	36
Employee benefit plans adjustment, net of tax	(1)	(1)	16	(1)
Other comprehensive (loss) income	(85)	(167)	(140)	(38)
Comprehensive income	304	183	547	675
Comprehensive income attributable to noncontrolling interests	22	18	44	40
Comprehensive income attributable to Delphi	$282	$165	$503	$635

See notes to consolidated financial statements.

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DELPHI AUTOMOTIVE PLC
CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (Unaudited) (in millions)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$1,001	$1,105
Restricted cash	5	8
Accounts receivable, net	2,868	2,425
Inventories (Note 3)	1,162	1,066
Other current assets (Note 4)	597	623
Total current assets	5,633	5,227
Long-term assets:		
Property, net	2,875	2,860
Investments in affiliates	208	231
Intangible assets, net (Note 2)	757	803
Goodwill (Note 2)	467	473
Other long-term assets (Note 4)	611	582
Total long-term assets	4,918	4,949
Total assets	$10,551	$10,176
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt (Note 8)	$59	$140
Accounts payable	2,501	2,278
Accrued liabilities (Note 5)	1,249	1,241
Total current liabilities	3,809	3,659
Long-term liabilities:		
Long-term debt (Note 8)	2,367	2,324
Pension benefit obligations	888	929
Other long-term liabilities (Note 5)	445	434
Total long-term liabilities	3,700	3,687
Total liabilities	7,509	7,346
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred shares, $0.01 par value per share, 50,000,000 shares authorized, none issued and outstanding	—	—
Ordinary shares, $0.01 par value per share, 1,200,000,000 shares authorized, 310,200,000 and 315,299,183 issued and outstanding as of June 30, 2013 and December 31, 2012, respectively	3	3
Additional paid-in-capital	1,718	1,723
Retained earnings	1,177	856
Accumulated other comprehensive loss	(377)	(237)
Total Delphi shareholders' equity	2,521	2,345
Noncontrolling interest	521	485
Total shareholders' equity	3,042	2,830
Total liabilities and shareholders' equity	$10,551	$10,176

See notes to consolidated financial statements.

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DELPHI AUTOMOTIVE PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	2013	2012
	(in millions)	
Cash flows from operating activities:		
Net income	$687	$713
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	211	187
Amortization	52	40
Amortization of deferred issuance costs	6	8
Restructuring expense, net of cash paid	(17)	(29)
Deferred income taxes	3	7
Pension and other postretirement benefit expenses	42	33
Income from equity method investments, net of dividends received	2	13
Loss (gain) on investments and extinguishment of debt	38	(4)
Share-based compensation	24	12
Changes in operating assets and liabilities:		
Accounts receivable, net	(443)	(186)
Inventories	(96)	(57)
Other assets	2	13
Accounts payable	296	79
Accrued and other long-term liabilities	(31)	(42)
Other, net	(63)	(7)
Pension contributions	(41)	(26)
Net cash provided by operating activities	672	754
Cash flows from investing activities:		
Capital expenditures	(336)	(400)
Proceeds from sale of property / investments	4	16
Cost of acquisitions, net of cash acquired	2	—
Decrease (increase) in restricted cash	3	(3)
Acquisition of minority held shares	—	(16)
Dividends from equity method investments in excess of earnings	—	37
Net cash used in investing activities	(327)	(366)
Cash flows from financing activities:		
Net repayments under other short-term debt agreements	(74)	(38)
Proceeds from issuance of senior secured term loans, net of issuance costs	560	—
Repayment under long-term debt agreements	(1,346)	—
Proceeds from issuance of senior notes, net of issuance costs	788	—
Dividend payments of consolidated affiliates to minority shareholders	(8)	(5)
Repurchase of ordinary shares	(240)	(150)
Distribution of cash dividends	(106)	—
Taxes withheld and paid on employees' restricted share awards	(14)	—
Net cash used in financing activities	(440)	(193)
Effect of exchange rate fluctuations on cash and cash equivalents	(9)	(35)
(Decrease) increase in cash and cash equivalents	(104)	160
Cash and cash equivalents at beginning of the period	1,105	1,363
Cash and cash equivalents at end of the period	$1,001	$1,523

See notes to consolidated financial statements.

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DELPHI AUTOMOTIVE PLC
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited)

	Ordinary Shares							
	Number of Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Delphi Shareholders Equity	Noncontrolling Interest	Total Shareholders' Equity
	(in millions)							
Balance at January 1, 2013	315	$ 3	$ 1,723	$ 856	$ (237)	$ 2,345	$ 485	$ 2,830
Net income	—	—	—	643	—	643	44	687
Other comprehensive loss	—	—	—	—	(140)	(140)	—	(140)
Dividends on ordinary shares	—	—	2	(108)	—	(106)	—	(106)
Dividend payments of consolidated affiliates to minority shareholders	—	—	—	—	—	—	(8)	(8)
Taxes withheld on employees' restricted share award vestings	—	—	(3)	—	—	(3)	—	(3)
Repurchase of ordinary shares	(5)	—	(28)	(214)	—	(242)	—	(242)
Share based compensation	—	—	24	—	—	24	—	24
Balance at June 30, 2013	310	$ 3	$ 1,718	$ 1,177	$ (377)	$ 2,521	$ 521	$ 3,042

See notes to consolidated financial statements.

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DELPHI AUTOMOTIVE PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

General and basis of presentation—"Delphi," the "Company", the "Successor", "we", "us" and "our" refer to Delphi Automoti PLC, a public limited company which was formed under the laws of Jersey on May 19, 2011, together with its subsidiaries, including Delphi Automotive LLP, a limited liability partnership incorporated under the laws of England and Wales which was formed on August 19, 2009 for the purpose of acquiring certain assets of the former Delphi Corporation, and became a subsidiary of Delphi Automotive PLC in connection with the completion of the Company's initial public offering on November 22, 2011. The former Delphi Corporation (now known as DPH Holdings Corp. ("DPHH")) and, as the context may require, its subsidiaries and affiliates, are referred to herein as the "Predecessor." The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements and notes thereto included in this report should be read in conjunction with Delphi's 2012 Annual Report on Form 10-K.

Nature of operations—Delphi is a leading global vehicle components manufacturer and provides electrical and electronic, powertrain, safety and thermal technology solutions to the global automotive and commercial vehicle markets. Delphi operates manufacturing facilities and technical centers utilizing a regional service model that enables the Company to efficiently and effectively serve its global customers from low cost countries. In line with the growth in emerging markets, Delphi has been increasing its focus on these markets, particularly in China, where the Company has a major manufacturing base and strong customer relationships.

Corporate history—In October 2005, the Predecessor and certain of its United States ("U.S.") subsidiaries filed voluntary petitions for reorganization relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Predecessor's non-U.S. subsidiaries which were not included in the Chapter 11 Filings, continued their business operations without supervision from the Bankruptcy Court and were not subject to the requirements of the Bankruptcy Code. On August 19, 2009, Delphi Automotive LLP, a limited liability partnership organized under the laws of England and Wales, was formed for the purpose of acquiring certain assets and subsidiaries of the former Delphi Corporation, its Predecessor ("the Acquisition"). On October 6, 2009 (the "Acquisition Date"), Delphi Automotive LLP acquired the major portion of the business of the Predecessor and issued membership interests to a group of investors consisting of lenders to the Predecessor, General Motors Company ("GM") and the Pension Benefit Guaranty Corporation (the "PBGC").

As a result of the Acquisition, Delphi Automotive LLP acquired a significant portion of the business of the Predecessor and this business constituted the entirety of the operations of the Successor.

On March 31, 2011, all of the outstanding Class A and Class C membership interests held by GM and the PBGC were redeemed, respectively, for approximately $4.4 billion. The redemption transaction was funded by a $3.0 billion credit facility entered into on March 31, 2011 (the "Credit Facility") and existing cash. Refer to Note 8. Debt and Note 12. Shareholders' Equity and Net Income Per Share for additional disclosures.

On May 19, 2011, Delphi Automotive PLC was formed as a Jersey public limited company, and had nominal assets, no liabilities and had conducted no operations prior to its initial public offering. On November 22, 2011, in conjunction with the completion of its initial public offering by the selling shareholders, all of the outstanding equity of Delphi Automotive LLP was exchanged for ordinary shares of Delphi Automotive PLC. As a result, Delphi Automotive LLP became a wholly-owned subsidiary of Delphi Automotive PLC. The transaction whereby Delphi Automotive LLP became a wholly-owned subsidiary of Delphi Automotive PLC had no accounting effects.

2. SIGNIFICANT ACCOUNTING POLICIES

Consolidation—The consolidated financial statements include the accounts of Delphi and U.S. and non-U.S. subsidiaries in which Delphi holds a controlling financial or management interest and variable interest entities of which Delphi has determined that it is the primary beneficiary. Delphi's share of the earnings or losses of non-controlled affiliates, over which Delphi exercises significant influence (generally a 20% to 50% ownership interest), is included in the consolidated operating results using the equity method of accounting. All adjustments, consisting of only normal recurring items, which are necessary for a fair presentation, have been included. All significant intercompany transactions and balances between consolidated Delphi businesses have been eliminated.

During the three and six months ended June 30, 2013, Delphi received dividends of $11 million and $20 million from two of its equity method investments, respectively. The dividends were recognized as a reduction to the investment and represented a return on investment included in cash flows from operating activities. During the six months ended June 30, 2012, Delphi

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received a dividend of $62 million from one of its equity method investments. The dividend was recognized as a reduction to the investment with $25 million representing a return on investment included in cash flows from operating activities and $37 million representing a return of capital investment and included in cash flows from investing activities.

Use of estimates—Preparation of consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect amounts reported therein. Generally, matters subject to estimation and judgment include amounts related to accounts receivable realization, inventory obsolescence, asset impairments, useful lives of intangible and fixed assets, deferred tax asset valuation allowances, income taxes, pension benefit plan assumptions, accruals related to litigation, warranty costs, environmental remediation costs, worker’s compensation accruals and healthcare accruals. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from those estimates.

Net income per share—Basic net income per share is computed by dividing net income attributable to Delphi by the weighted–average number of ordinary shares outstanding during the period. Diluted net income per share reflects the weighted average dilutive impact of all potentially dilutive securities from the date of issuance and is computed using the treasury stock method by dividing net income attributable to Delphi by the diluted weighted-average number of ordinary shares outstanding. Share amounts included in these notes are on a diluted basis. See Note 12. Shareholders’ Equity and Net Income Per Share for additional information including the calculation of basic and diluted net income per share.

Cash and cash equivalents—Cash and cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less.

Intangible Assets—Intangible assets were $757 million and $803 million as of June 30, 2013 and December 31, 2012, respectively. Delphi amortizes definite-lived intangible assets over their estimated useful lives. Delphi has definite-lived intangible assets related to patents and developed technology, customer relationships, trade names and in-process research and development. Delphi does not amortize indefinite-lived in-process research and development, but tests for impairment annually, or more frequently when indicators of potential impairment exist. Costs to renew or extend the term of acquired intangible assets are recognized as expense as incurred. Amortization expense was $26 million and $52 million for the three and six months ended June 30, 2013 and $19 million and $40 million for the three and six months ended June 30, 2012, respectively.

Goodwill—Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. Delphi tests goodwill for impairment annually or more frequently when indications of potential impairment exist. Delphi monitors the existence of potential impairment indicators throughout the fiscal year.

The Company tests for goodwill impairment at the reporting unit level. Our reporting units are the components of operating segments which constitute businesses for which discrete financial information is available and is regularly reviewed by segment management. No components were aggregated in arriving at our reporting units.

The impairment test involves first qualitatively assessing goodwill for impairment. If the qualitative assessment is not met the Company then performs a quantitative assessment by first comparing the fair value of each reporting unit to its carrying value, including goodwill. Fair value reflects the price a market participant would be willing to pay in a potential sale of the reporting unit. If the fair value exceeds carrying value, no goodwill impairment has occurred. If the carrying value of the reporting unit exceeds its fair value, a second step is required to measure possible goodwill impairment loss. The second step includes hypothetically valuing the tangible and intangible assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. Then, the implied fair value of the reporting unit's goodwill is compared to the carrying value of that goodwill. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, the Company recognizes an impairment loss in an amount equal to the excess, not to exceed the carrying value. Goodwill was $467 million and $473 million as of June 30, 2013 and December 31, 2012, respectively.

Warranty—Expected warranty costs for products sold are recognized at the time of sale of the product based on its estimate of the amount that eventually will be required to settle such obligations. These accruals are based on factors such as past experience, production changes, industry developments and various other considerations. This estimate is adjusted from time to time based on facts and circumstances that impact the status of existing claims. Refer to Note 6. Warranty Obligations.

Restructuring—Delphi continually evaluates alternatives to align the business with the changing needs of its customers and to lower operating costs. This includes the realignment of its existing manufacturing capacity, facility closures, or similar actions, either in the normal course of business or pursuant to significant restructuring programs. These actions may result in employees receiving voluntary or involuntary employee termination benefits, which are mainly pursuant to union or other contractual agreements. Voluntary termination benefits are accrued when an employee accepts the related offer. Involuntary termination benefits are accrued upon the commitment to a termination plan and the benefit arrangement is communicated to affected employees, or when liabilities are determined to be probable and estimable, depending on the existence of a substantive plan for severance or termination. Contract termination costs are recorded when contracts are terminated or when

Delphi ceases to use the leased facility and no longer derives economic benefit from the contract. All other exit costs are expensed as incurred. Refer to Note 7. Restructuring.

Customer concentrations—As reflected in the table below, net sales to GM and Volkswagen Group ("VW"), Delphi's two largest customers, totaled approximately 26% and 26% for the three and six months ended June 30, 2013 and 29% and 29% for the three and six months ended June 30, 2012 of our total net sales, respectively.

	Percentage of Total Net Sales				Accounts and Other Receivables	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30, 2013	December 31, 2012
	2013	2012	2013	2012		
					(in millions)	
GM	16 %	18 %	16 %	18 %	$452	$ 382
VW	10 %	11 %	10 %	11 %	117	109

Recently issued accounting pronouncements—In December 2011, the Financial Accounting Standards Board ("FASB") issued ASU 2011-11, Disclosures about Offsetting Assets and Liabilities. This guidance requires entities to disclose both gross and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. In January 2013, the FASB issued ASU 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, which clarified that the scope of ASU 2011-11 applies to derivatives and securities borrowing or lending transactions subject to an agreement similar to a master netting arrangement. The guidance is effective for annual periods beginning on or after January 1, 2013. Delphi adopted this guidance effective March 31, 2013 and applied it retrospectively for any period presented. Refer to Note 14. Derivatives and Hedging Activities for additional information. The adoption of this guidance did not have a significant impact on Delphi's financial statements.

In February 2013, the FASB issued ASU 2013-2, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This guidance requires an organization to present the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The guidance is effective for fiscal years beginning after December 15, 2012. Delphi adopted this guidance effective January 1, 2013. Refer to Note 13. Changes in Accumulated Other Comprehensive Income (Loss) for additional information. The adoption of this guidance did not have a significant impact on Delphi's financial statements.

In March 2013, the FASB issued ASU 2013-5, Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. This guidance requires a reporting entity that ceases to have a controlling financial interest in a business with a foreign entity, other than a sale of in substance real estate or conveyance of oil and gas mineral rights, to release any related cumulative translation adjustment into net income. The guidance is effective for fiscal years beginning after December 15, 2013. The adoption of this guidance is not expected to have a significant impact on Delphi's financial statements.

3. INVENTORIES

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market, including direct material costs and direct and indirect manufacturing costs. A summary of inventories is shown below:

	June 30, 2013	December 31, 2012
	(in millions)	
Productive material	$652	$ 586
Work-in-process	135	128
Finished goods	375	352
Total	$1,162	$ 1,066

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4. ASSETS

Other current assets consisted of the following:

	June 30, 2013	December 31, 2012
	(in millions)	
Value added tax receivable	$176	$194
Deferred income taxes	157	148
Prepaid insurance and other expenses	65	86
Reimbursable engineering costs	61	52
Notes receivable	45	22
Debt issuance costs (Note 8)	10	17
Income and other taxes receivable	36	47
Deposits to vendors	12	15
Derivative financial instruments (Note 14)	12	21
Other	23	21
Total	$597	$623

Other long-term assets consisted of the following:

	June 30, 2013	December 31, 2012
	(in millions)	
Deferred income taxes	$276	$281
Debt issuance costs (Note 8)	48	55
Income and other taxes receivable	115	88
Reimbursable engineering costs	72	50
Value added tax receivable	30	33
Derivative financial instruments (Note 14)	3	6
Other	67	69
Total	$611	$582

5. LIABILITIES

Accrued liabilities consisted of the following:

	June 30, 2013	December 31, 2012
	(in millions)	
Payroll-related obligations	$289	$259
Employee benefits, including current pension obligations	85	123
Executive long-term incentive plan (Note 18)	—	20
Income and other taxes payable	244	261
Warranty obligations (Note 6)	85	92
Restructuring (Note 7)	127	118
Customer deposits	36	35
Deferred income taxes	8	12
Derivative financial instruments (Note 14)	33	12
Accrued interest	26	9
Other	316	300
Total	$1,249	$1,241

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Other long-term liabilities consisted of the following:

	June 30, 2013	December 31, 2012
	(in millions)	
Environmental (Note 10)	$20	$18
Extended disability benefits	13	12
Warranty obligations (Note 6)	78	74
Restructuring (Note 7)	15	45
Payroll-related obligations	11	11
Accrued income taxes	35	38
Deferred income taxes	201	185
Derivative financial instruments (Note 14)	23	1
Other	49	50
Total	$445	$434

6. WARRANTY OBLIGATIONS

Expected warranty costs for products sold are recognized at the time of sale of the product based on its estimate of the amount that eventually will be required to settle such obligations. These accruals are based on factors such as past experience, production changes, industry developments and various other considerations. This estimate is adjusted from time to time based on facts and circumstances that impact the status of existing claims. Delphi has recognized its best estimate for its total aggregate warranty reserves across all of its operating segments as of June 30, 2013. The estimated reasonably possible amount to ultimately resolve all matters is not materially different from the recorded reserves as of June 30, 2013.

The table below summarizes the activity in the product warranty liability for the six months ended June 30, 2013:

	Warranty Obligations
	(in millions)
Accrual balance at beginning of period	$166
Provision for estimated warranties incurred during the period	31
Provision for changes in estimate for pre-existing warranties	2
Settlements made during the period (in cash or in kind)	(35)
Foreign currency translation and other	(1)
Accrual balance at end of period	$163

In March 2011, Delphi reached a settlement with its customer related to warranty claims on certain components previously supplied by Delphi’s Powertrain segment and reflected a change in its previous estimate of probable loss as a result of the settlement agreement by recognizing $76 million of warranty expense in cost of sales. In April 2012, Delphi made the final scheduled payment of €60 million (approximately $80 million at April 30, 2012 exchange rates) related to this matter.

7. RESTRUCTURING

Delphi’s restructuring activities are undertaken as necessary to implement management’s strategy, streamline operations, take advantage of available capacity and resources, and ultimately achieve net cost reductions. These activities generally relate to the realignment of existing manufacturing capacity and closure of facilities and other exit or disposal activities, as it relates to executing Delphi’s strategy, either in the normal course of business or pursuant to significant restructuring programs.

In the fourth quarter of 2012, Delphi initiated and committed to approximately $300 million of various restructuring programs which includes costs related to the integration of the Motorized Vehicle Division (“MVL”) acquisition that are intended to further improve Delphi's industry leading cost structure. As part of Delphi's continued efforts to optimize its cost structure, during the first quarter of 2013, an additional $75 million of restructuring actions were initiated, bringing the overall commitments of Delphi's restructuring programs to approximately $375 million. Approximately 80% of the restructuring actions are in Europe, including workforce reductions as well as plant closures, and are expected to be substantially completed by early 2014. Approximately $170 million of the total restructuring was recognized in the fourth quarter of 2012, and in the

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three and six months ended June 30, 2013, Delphi recorded employee related and other restructuring charges totaling $26 million and $58 million, respectively. Restructuring charges for employee separation and termination benefits are paid either over the severance period or in a lump sum in accordance with either statutory requirements or individual agreements. Delphi incurred cash expenditures for these restructuring actions of approximately $65 million in the six months ended June 30, 2013, and expects future cash expenditures in 2013 of approximately $115 million.
The following table summarizes the restructuring charges recorded for the three and six months ended June 30, 2013 and 2012 by operating segment:

Segment	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012
	(in millions)			
Electrical/Electronic Architecture	$8	$3	$19	$5
Powertrain Systems	4	2	12	4
Electronics and Safety	14	1	25	2
Thermal Systems	—	2	2	3
Total	$26	$8	$58	$14

The table below summarizes the activity in the restructuring liability for the six months ended June 30, 2013:

	Employee Termination Benefits Liability	Other Exit Costs Liability	Total
	(in millions)		
Accrual balance at January 1, 2013	$157	$6	$163
Provision for estimated expenses incurred during the period	58	—	58
Payments made during the period	(73)	(2)	(75)
Foreign currency and other	(4)	—	(4)
Accrual balance at June 30, 2013	$138	$4	$142

8. DEBT

The following is a summary of debt outstanding, net of discounts of approximately $0 million and $4 million related to the Tranche A Term Loan and the Tranche B Term Loan, defined below, as of June 30, 2013 and December 31, 2012:

	June 30, 2013	December 31, 2012
	(in millions)	
Accounts receivable factoring	$8	$19
5.875%, senior notes, due 2019	500	500
6.125%, senior notes, due 2021	500	500
5.00%, senior notes, due 2023	800	—
Tranche A Term Loan, due 2018	571	567
Tranche B Term Loan, due 2017	—	772
Capital leases and other	47	106
Total debt	2,426	2,464
Less: current portion	(59)	(140)
Long-term debt	$2,367	$2,324

Credit Agreement

In March 2011, in conjunction with the redemption of membership interests from Class A and Class C membership interest holders, Delphi Corporation (the “Issuer”), a wholly-owned U.S. subsidiary of Delphi Automotive LLP, entered into a credit agreement with JPMorgan Chase Bank, N.A., as lead arranger and administrative agent, with respect to

$3.0 billion in senior secured credit facilities (the “Original Credit Agreement”). The Original Credit Agreement was amended and restated on

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each of May 17, 2011, September 14, 2012 (as so amended and restated, the “2012 Credit Agreement”) and March 1, 2013. (The Original Credit Agreement and each amendment and restatement of the Original Credit Agreement are individually and collectively referred to herein as the “Credit Agreement”). The Original Credit Agreement provided for a senior secured 5-year term loan in an original amount of $258 million (the “Original Tranche A Term Loan” and, as subsequently modified from time to time, the “Tranche A Term Loan”), a senior secured 6-year term loan in an original amount of $950 million (the “Tranche B Term Loan”), and a $500 million revolving credit facility (as subsequently modified from time to time, the “Revolving Credit Facility”). Under the 2012 Credit Agreement, the Company increased the Revolving Credit Facility to $1.3 billion and the Original Tranche A Term Loan to $574 million. As a result of prior payments on the Tranche A Term Loan, the Company received incremental proceeds of $363 million under the 2012 Credit Agreement, which was used to pay a portion of the cost of acquiring MVL. On March 1, 2013, following the senior unsecured note issuance in February 2013 (as more fully described below), the Tranche B Term Loan was fully repaid, the Tranche A Term Loan was increased to $575 million, the Revolving Credit Facility was increased to $1.5 billion, and the terms of the Tranche A Term Loan and the Revolving Credit Facility were extended to March 1, 2018. These resulted in the recognition of a loss on debt extinguishment of $39 million during the six months ended June 30, 2013. Approximately $14 million in issuance costs were paid in conjunction with the March 2013 amendment. Unamortized debt issuance costs associated with the Tranche A Term Loan and Revolving Credit Facility of $30 million are being amortized over the term of the Credit Agreement, as extended pursuant to the March 1, 2013 amendment. At June 30, 2013 the Revolving Credit Facility was undrawn and Delphi had approximately $10 million in letters of credit issued under the Credit Agreement. Letters of credit issued under the Credit Agreement reduce availability under the Revolving Credit Facility.

Loans under the Credit Agreement bear interest, at the Issuer’s option, at either (a) the Administrative Agent’s Alternate Base Rate (“ABR” as defined in the Credit Agreement) or (b) the London Interbank Offered Rate (“Adjusted LIBO Rate” as defined in the Credit Agreement) (“LIBOR”) plus in either case a percentage per annum as set forth in the table below (the “Applicable Rate”). The Tranche B Term Loan had a LIBOR floor of 1.00%. A comparison of the Applicable Rates under the 2012 Credit Agreement and current Credit Agreement is set forth below:

	Credit Agreement (June 30, 2013)				2012 Credit Agreement (December 31, 2012)			
	LIBOR plus		ABR plus		LIBOR plus		ABR plus	
Revolving Credit Facility	1.50	%	0.50	%	2.00	%	1.00	%
Tranche A Term Loan	1.50	%	0.50	%	2.00	%	1.00	%
Tranche B Term Loan	N/A		N/A		2.50	%	1.50	%

The Applicable Rate under the Credit Agreement may increase or decrease from time to time based on changes in credit ratings with the minimum interest level of 1.00% and maximum level of 2.25%. Accordingly, the interest rate will fluctuate during the term of the Credit Agreement based on changes in the ABR, LIBOR or future changes in our corporate credit ratings. The Credit Agreement also requires that the Issuer pay certain commitment fees on the unused portion of the Revolving Credit Facility and certain letter of credit issuance and fronting fees.

The interest rate period with respect to LIBOR interest rate options can be set at one-, two-, three-, or six-months as selected by the Issuer in accordance with the terms of the Credit Agreement (or other period as may be agreed by the applicable lenders), but payable no less than quarterly. The Issuer may elect to change the selected interest rate in accordance with the provisions of the Credit Agreement. As of June 30, 2013, the Issuer selected the one-month LIBOR interest rate option, as detailed in the table below, and the amounts outstanding, and rates effective as of June 30, 2013 were based on Delphi’s current credit rating and applicable margin for the Credit Agreement:

			Borrowings as of	Rates effective as of	
	LIBOR plus		June 30, 2013	June 30, 2013	
Revolving Credit Facility	1.50	%	$—	—	%
Tranche A Term Loan	1.50	%	571	1.75	%

The Issuer is obligated to make quarterly principal payments throughout the term of the Tranche A Term Loan according to the amortization schedule in the Credit Agreement. Borrowings under the Credit Agreement are prepayable at the Issuer's option without premium or penalty. The Credit Agreement also contains certain mandatory prepayment provisions in the event the Company receives net cash proceeds from any asset sale or casualty event. No mandatory prepayments, under these provisions, have been made or are due through June 30, 2013.
The Credit Agreement contains certain covenants that limit, among other things, the Company’s (and the Company’s subsidiaries’) ability to incur additional indebtedness or liens, to dispose of assets, to make certain investments, to prepay certain indebtedness and to pay dividends, or to make other distributions or redemptions/repurchases, in respect of the Company’s equity interests. In addition, the Credit Agreement requires that the Company maintain a consolidated leverage ratio

(the ratio of Consolidated Total Indebtedness to Consolidated EBITDA, each as defined in the Credit Agreement) of less than 2.75 to 1.0. The Credit Agreement also contains events of default customary for financings of this type. The Company was in compliance with the Credit Agreement covenants as of June 30, 2013. At any time when Delphi Automotive PLC and Delphi Corporation have received investment grade credit ratings as specified in the Credit Agreement and other conditions in the Credit Agreement are met, all security interests on the collateral will be released, subject to potential reinstatement if the investment grade condition ceases to be satisfied. In addition, certain covenants shall not apply after Delphi Automotive PLC and Delphi Corporation have received investment grade credit ratings as specified in the Credit Agreement and no default has occurred or is continuing, provided that such covenants may be reinstated if the investment grade condition ceases to be satisfied.

All obligations under the Credit Agreement are borrowed by Delphi Corporation and jointly and severally guaranteed by its direct and indirect parent companies and by certain of Delphi Automotive PLC's existing and future direct and indirect subsidiaries, subject to certain exceptions set forth in the Credit Agreement. All obligations under the Credit Agreement, including the guarantees of those obligations, are secured by certain assets of Delphi Corporation and the guarantors, including substantially all of the assets of Delphi Automotive PLC, and its U.S. subsidiaries, and certain assets of Delphi Corporation's direct and indirect parent companies.

Senior Notes

On May 17, 2011, Delphi Corporation issued $500 million of 5.875% senior unsecured notes due 2019 and $500 million of 6.125% senior unsecured notes due 2021 (the "2011 Senior Notes") in a transaction exempt from registration under Rule 144A and Regulation S of the Securities Act of 1933 (the "Securities Act"). Delphi paid approximately $23 million of debt issuance costs in connection with the 2011 Senior Notes. The net proceeds of approximately $1 billion as well as cash on hand were used to pay down amounts outstanding under the Original Credit Agreement. In May 2012, Delphi Corporation exchanged all of the 2011 Senior Notes for registered notes ("New Senior Notes") with terms identical in all material respects to the terms of the 2011 Senior Notes, except that the New Senior Notes are registered under the Securities Act, and the transfer restrictions and registration rights relating to the 2011 Senior Notes no longer apply. No proceeds were received by Delphi Corporation as a result of the exchange. Interest is payable semi-annually on May 15 and November 15 of each year to holders of record at the close of business on May 1 or November 1 immediately preceding the interest payment date.

The indenture governing the New Senior Notes limits, among other things, Delphi's (and Delphi's subsidiaries') ability to incur additional indebtedness or liens, dispose of assets, make certain restricted payments or investments, enter into transactions with affiliates and merge with or into other entities. As of June 30, 2013, the Company was in compliance with the provisions of the New Senior Notes.

On February 14, 2013, Delphi Corporation issued $800 million of 5.00% senior unsecured notes due 2023 (the "2013 Senior Notes") in a transaction registered under the Securities Act. The proceeds were primarily utilized to prepay our term loan indebtedness under our 2012 Credit Agreement. Delphi paid approximately $12 million of issuance costs in connection with the 2013 Senior Notes. Interest is payable semi-annually on February 15 and August 15 of each year to holders of record at the close of business on February 1 or August 1 immediately preceding the interest payment date.

The indenture governing the 2013 Senior Notes limits, among other things, Delphi's (and Delphi's subsidiaries') ability to incur liens, enter into sale and leaseback transactions and merge with or into other entities. As of June 30, 2013, the Company was in compliance with the provisions of the 2013 Senior Notes.

The senior notes are fully and unconditionally guaranteed, jointly and severally, by Delphi Automotive PLC and certain of its existing and future subsidiaries, subject to customary release provisions (other than in the case of Delphi Automotive PLC).

Other Financing

Accounts receivable factoring—Various accounts receivable factoring facilities are maintained in Europe and are accounted for as short-term debt. These uncommitted factoring facilities are available through various financial institutions. As of June 30, 2013 and December 31, 2012, $8 million and $19 million, respectively, were outstanding under these accounts receivable factoring facilities.

Capital leases and other—As of June 30, 2013 and December 31, 2012, approximately $47 million and approximately $106 million, respectively, of other debt issued by certain non-U.S. subsidiaries and capital lease obligations were outstanding.
Interest—Cash paid for interest related to amounts outstanding totaled $49 million and $61 million for the six months ended June 30, 2013 and 2012, respectively.

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9. PENSION BENEFITS

Certain of Delphi's non-U.S. subsidiaries sponsor defined benefit pension plans, which generally provide benefits based on negotiated amounts for each year of service. Delphi's primary non-U.S. plans are located in France, Germany, Mexico, Portugal and the United Kingdom ("U.K."). The U.K. and certain Mexican plans are funded. In addition, Delphi has defined benefit plans in South Korea, Turkey and Italy for which amounts are payable to employees immediately upon separation. The obligations for these plans are recorded based on the vested obligation.

Delphi sponsors a Supplemental Executive Retirement Program ("SERP") for those employees who were U.S. executives of the Predecessor prior to September 30, 2008 and were U.S. executives of Delphi on October 7, 2009, the effective date of the program. This program is unfunded. Executives receive benefits over 5 years after an involuntary or voluntary separation from Delphi. The SERP is closed to new members and was frozen effective September 30, 2008.

The amounts shown below reflect the defined benefit pension expense for the three and six months ended June 30, 2013 and 2012:

	Non-U.S. Plans		U.S. Plans	
	Three Months Ended June 30,			
	2013	2012	2013	2012
	(in millions)			
Service cost	$15	$12	$—	$—
Interest cost	21	20	1	1
Expected return on plan assets	(18)	(17)	—	—
Amortization of actuarial losses	2	—	—	—
Net periodic benefit cost	$20	$15	$1	$1

	Non-U.S. Plans		U.S. Plans	
	Six Months Ended June 30,			
	2013	2012	2013	2012
	(in millions)			
Service cost	$28	$23	$—	$—
Interest cost	43	41	1	2
Expected return on plan assets	(35)	(33)	—	—
Amortization of actuarial losses	4	—	—	—
Net periodic benefit cost	$40	$31	$1	$2

Other postretirement benefit obligations were approximately $10 million and $15 million at June 30, 2013 and December 31, 2012, respectively.

10. COMMITMENTS AND CONTINGENCIES

European Union Antitrust Investigation

In March 2010, Delphi received requests for information from the European Commission related to alleged conduct by Delphi in connection with an investigation of possible violations of antitrust laws by automotive parts suppliers that supply wire harnesses to vehicle manufacturers. Delphi cooperated fully with the European Commission's investigation. In August 2012, the European Commission opened proceedings against a small number of wire harness manufacturers, and in July 2013, the European Commission announced its decision to impose fines on certain of these wiring harness manufacturers for violations of the antitrust laws. Delphi was not included in this proceeding, and Delphi was not fined by the European Commission. Following that decision, the Commission notified Delphi on July 19, 2013, of its decision to close the investigation in the area of wire harnesses. Accordingly, no accrual for this matter has been recorded as of June 30, 2013.

Environmental Matters

Delphi is subject to the requirements of U.S. federal, state, local and non-U.S. environmental and safety and health laws and regulations. As of June 30, 2013 and December 31, 2012, the undiscounted reserve for environmental investigation and remediation was approximately $23 million (of which $3 million was recorded in accrued liabilities and $20 million was

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recorded in other long-term liabilities) and $21 million (of which $3 million was recorded in accrued liabilities and $18 million was recorded in other long-term liabilities). Delphi cannot ensure that environmental requirements will not change or become more stringent over time or that its eventual environmental remediation costs and liabilities will not exceed the amount of its current reserves. In the event that such liabilities were to significantly exceed the amounts recorded, Delphi's results of operations could be materially affected. At June 30, 2013, the difference between the recorded liabilities and the reasonably possible range of loss was not material.

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, alleged breaches of contracts, product warranties, intellectual property matters, and employment-related matters. It is the opinion of Delphi 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. With respect to warranty matters, although Delphi cannot ensure that the future costs of warranty claims by customers will not be material, Delphi believes its established reserves are adequate to cover potential warranty settlements.

Brazil Matters

Delphi conducts significant business operations in Brazil that are subject to the Brazilian federal labor, social security, environmental, tax and customs laws, as well as a variety of state and local laws. While Delphi believes it complies with such laws, they are complex, subject to varying interpretations, and the Company is often engaged in litigation with government agencies regarding the application of these laws to particular circumstances. In addition, Delphi also is a party to commercial and labor litigation with private parties in Brazil. As of June 30, 2013, related claims totaling $202 million (using June 30, 2013 foreign currency rates) have been asserted against Delphi. As of June 30, 2013, the Company maintains accruals for these asserted claims of $35 million (using June 30, 2013 foreign currency rates). The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's analyses and assessment of the asserted claims and prior experience with similar matters. While the Company believes its accruals are adequate, the final amounts required to resolve these matters could differ materially from the Company's recorded estimates and Delphi's results of operations could be materially affected.

11. INCOME TAXES

For purposes of comparability and consistency, the Company uses the notional U.S. federal income tax rate when presenting the Company's reconciliation of the income tax provision. The Company is a U.K. resident taxpayer and as such is not generally subject to U.K. tax on remitted foreign earnings. As a result, the Company does not anticipate foreign earnings would be subject to a 35% tax rate upon repatriation to the U.K., as is the case when U.S. based companies repatriate earnings to the U.S. A reconciliation of the provision for income taxes compared with the amounts at the notional U.S. federal statutory rate was:

	Six Months Ended June 30,	
	2013	2012
	(in millions)	
Notional U.S. federal income taxes at statutory rate	$272	$306
Income taxed at other rates	(147)	(117)
Other change in tax reserves	1	(16)
Withholding taxes	26	2
Tax credits	(40)	(4)
Other adjustments	(2)	4
Total income tax expense	$110	$175
Effective tax rate	14%	20%

The Company's tax rate is affected by the tax rates in the jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction, jurisdictions with a statutory tax rate less than the U.S. rate of 35% and the relative amount of losses or income for which no tax benefit or expense was recognized due to a valuation allowance. The Company's geographic income mix was favorably impacted in 2013, as compared to 2012, primarily due to tax planning initiatives.

The effective tax rate was 14% and 20% for the six months ended June 30, 2013 and 2012, respectively. The American Taxpayer Relief Act of 2012 was enacted on January 2, 2013 which retroactively reinstates expired tax provisions known as tax extenders including the research and development tax credit. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment, which in this case is the first quarter of 2013. As a result, the effective tax rate for the six months ended June 30, 2013 was impacted by a benefit of approximately $22 million related to the 2012 research and development credit. The effective tax rate in the six months ended June 30, 2012 was impacted by a reduction of $22 million in tax reserves due to resolution of open issues with tax authorities and a reduction of $14 million in withholding tax expense due to tax planning actions. Cash paid or withheld for income taxes was $120 million and $153 million for the six months ended June 30, 2013 and 2012 respectively.

Tax Return Filing Determinations and Elections

Delphi Automotive LLP, which acquired certain businesses of the Predecessor on October 6, 2009, the Acquisition Date, was established on August 19, 2009 as a limited liability partnership incorporated under the laws of England and Wales. At the time of its formation, Delphi Automotive LLP elected to be treated as a partnership for U.S. federal income tax purposes. The Company believes the Internal Revenue Service (the “IRS”) may assert that Delphi Automotive LLP, and as a result Delphi Automotive PLC, should be treated as a domestic corporation for U.S. federal income tax purposes, retroactive to the Acquisition Date. If Delphi Automotive LLP were treated as a domestic corporation for U.S. federal income tax purposes, the Company expects that, although Delphi Automotive PLC is incorporated under the laws of Jersey and a tax resident in the U.K., it would also be treated as a domestic corporation for U.S. federal income tax purposes.

Delphi Automotive LLP filed U.S. federal partnership tax returns for 2009, 2010, and 2011. The IRS is currently reviewing whether Section 7874 applies to Delphi Automotive LLP’s acquisition of the automotive supply and other businesses of the Predecessor. The Company believes, after consultation with counsel, that neither Delphi Automotive LLP nor Delphi Automotive PLC should be treated as a domestic corporation for U.S. federal income tax purposes, and intends to vigorously contest any assertion by the IRS to the contrary, including through litigation if the Company were unable to reach a satisfactory resolution with the IRS. However, no assurance can be given that the IRS will not contend, or that a court would not conclude, that Delphi Automotive LLP, and therefore Delphi Automotive PLC, should be treated as a domestic corporation for U.S. federal income tax purposes. No accrual for this matter has been recorded as of June 30, 2013.

If these entities were treated as domestic corporations for U.S. federal income tax purposes, the Company would be subject to U.S. federal income tax on its worldwide taxable income, including distributions, as well as deemed income inclusions from some of its non-U.S. subsidiaries. This could have a material adverse impact on our income tax liability in the future. However, the Company may also benefit from deducting certain expenses that are currently not deducted in the U.S. As a U.S. company, any dividends we pay to non-U.S. shareholders could also be subject to U.S. federal income tax withholding at a rate of 30% (unless reduced or eliminated by an income tax treaty), and it is possible that tax may be withheld on such dividends in certain circumstances even before a final determination has been made with respect to the Company's U.S. income tax status. In addition, we could be liable for the failure by Delphi Automotive LLP to withhold U.S. federal income taxes on distributions to its non-U.S. members for periods beginning on or after the Acquisition Date.

12. SHAREHOLDERS’ EQUITY AND NET INCOME PER SHARE

Overview

On May 19, 2011, Delphi Automotive PLC was formed as a Jersey public limited company, and had nominal assets, no liabilities and had conducted no operations prior to its initial public offering. On November 22, 2011, in conjunction with the completion of its initial public offering, all of the outstanding equity of Delphi Automotive LLP was exchanged for 328,244,510 ordinary shares, par value $0.01 in Delphi Automotive PLC. As a result, Delphi Automotive LLP became a wholly-owned subsidiary of Delphi Automotive PLC, and subsequent to the exchange, Delphi Automotive PLC completed the initial public offering of 24,078,827 ordinary shares by the selling shareholders for an aggregate purchase price of approximately $530 million. Delphi Automotive PLC did not receive any proceeds from the offering, and incurred transaction fees and expenses of approximately $44 million.

Net Income Per Share
Basic net income per share is computed by dividing net income attributable to Delphi by the weighted average number of ordinary shares outstanding during the period. Diluted net income per share reflects the weighted average dilutive impact of all potentially dilutive securities from the date of issuance and is computed using the treasury stock method by dividing net income attributable to Delphi by the diluted weighted average number of ordinary shares outstanding. For all periods presented, the calculation of net income per share contemplates the dilutive impacts, if any, of the Company's share-based compensation plans. Refer to Note 18. Share-Based Compensation for additional information. For all periods presented, the effect of the

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Value Creation Plan ("VCP") awards was anti-dilutive and therefore excluded from the calculation of diluted net income per share, as discussed in Note 18. Share-Based Compensation.

Weighted Average Shares

The following table illustrates net income per share attributable to Delphi and the weighted average shares outstanding used in calculating basic and diluted income per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in millions, except per share data)			
Numerator:				
Net income attributable to Delphi	$367	$330	$643	$672
Denominator:				
Weighted average ordinary shares outstanding, basic	311.93	325.87	313.30	327.06
Dilutive shares related to Restricted Stock Units ("RSUs")	0.76	0.27	0.72	0.24
Weighted average ordinary shares outstanding, including dilutive shares	312.69	326.14	314.02	327.30
Net income per share attributable to Delphi:				
Basic	$1.18	$1.01	$2.05	$2.05
Diluted	$1.17	$1.01	$2.05	$2.05
Anti-dilutive securities share impact:	—	2.31	—	2.99

Share Repurchase Program

In January 2012, the Board of Directors authorized a share repurchase program of up to $300 million of ordinary shares. The program was scheduled to terminate on the earlier of December 31, 2012 or when the Company attained $300 million of ordinary share repurchases, which was fully satisfied in September 2012. Subsequently, in September 2012, the Board of Directors authorized a new share repurchase program of up to $750 million of ordinary shares. This program will terminate when the Company attains $750 million of ordinary share repurchases and provides for share repurchases in the open market or in privately negotiated transactions, depending on share price, market conditions and other factors, as determined by the Company. During the three months ended June 30, 2013, Delphi repurchased 2,445,583 shares at an average price of $49.12, which totaled approximately $120 million. During the six months ended June 30, 2013, Delphi repurchased 5,295,583 shares at an average price of $45.71, which totaled approximately $242 million. Approximately $405 million of share repurchases remain available under the program adopted in September 2012. During the three and six months ended June 30, 2012, Delphi repurchased 5,297,240 shares at an average price of $28.35, which totaled approximately $150 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.

Dividends

On February 26, 2013, the Board of Directors approved the initiation of dividend payments on the Company's ordinary shares and declared a regular quarterly cash dividend of $0.17 per ordinary share that was paid in March 2013. In April 2013, the Board of Directors declared a quarterly cash dividend of $0.17 per ordinary share to shareholders of record at the close of business on May 15, 2013. On May 30, 2013, $53 million was paid to shareholders of record as of May 15, 2013. During the six months ended June 30, 2013, Delphi paid cash dividends of $106 million.

Other

Prior to the completion of the initial public offering on November 22, 2011, net income and other changes to membership interests were allocated to the respective outstanding classes based on the cumulative distribution provisions of the Fourth Amended and Restated Limited Liability Partnership Agreement of Delphi Automotive LLP (the "Fourth LLP Agreement").

Under the terms of the Acquisition and the Fourth LLP Agreement, if cumulative distributions to the members of Delphi Automotive LLP under certain provisions of the Fourth LLP Agreement exceed $7.2 billion, Delphi, as disbursing agent on behalf of DPHH, is required to pay to the holders of allowed general unsecured claims against the Predecessor, $32.50 for every $67.50 in excess of $7.2 billion distributed to the members, up to a maximum amount of $300 million. This contingency is not considered probable of occurring as of June 30, 2013.

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13. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss) attributable to Delphi (net of tax) for the three and six months ended June 30, 2013 and June 30, 2012 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in millions)			
Foreign currency translation adjustments:				
Balance at beginning of period	$(140)	$(43)	$(62)	$(120)
Aggregate adjustment for the period	(39)	(150)	(117)	(73)
Balance at end of period	(179)	(193)	(179)	(193)
Unrealized gains (losses) on derivatives:				
Balance at beginning of period	$20	$6	$14	$(45)
Other comprehensive income before reclassifications (net tax effect of $22 million, $8 million, $19 million and $20 million)	(50)	(14)	(33)	35
Reclassification to income (net tax effect of $3 million, $0 million, $4 million and $1 million)	5	(1)	(6)	1
Balance at end of period	(25)	(9)	(25)	(9)
Pension and postretirement plans:				
Balance at beginning of period	$(172)	$(18)	$(189)	$(18)
Other comprehensive income before reclassifications (net tax effect of $4 million, $0 million, $4 million and $0 million)	(2)	(1)	13	(1)
Reclassification to income (net tax effect of $1 million, $0 million, $1 million and $0 million)	1	—	3	—
Balance at end of period	(173)	(19)	(173)	(19)
Accumulated other comprehensive (loss) income, end of period	(377)	(221)	(377)	(221)

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Reclassification out of Accumulated Other Comprehensive Income
Six Months Ended June 30, 2013

Details about Accumulated Other Comprehensive Income Components	Three Months Ended June 30, 2013 (in millions)		Six Months Ended June 30, 2013		Affected Line Item in the Statement of Operations
Unrealized gains (losses) on derivatives:					
Commodity derivatives	$(6	)	$(9	)	Cost of Sales
Foreign currency derivatives	9				