

Note: The following tables show reconciliations of certain financial measures. The reasons Delta uses these measures are described below.

- Because Delta completed its merger with Northwest Airlines on October 29, 2008, Delta's financial results under generally accepted accounting principles (GAAP) for 2008 and the December 2008 quarter include the results of Northwest Airlines for the period October 30, 2008 through December 31, 2008.

Under GAAP, Delta does not include in its financial results the results of Northwest Airlines prior to the completion of the merger. Accordingly, Delta's financial results under GAAP for the December 2007 quarter do not include the results of Northwest Airlines for that period. This impacts the comparability of Delta's financial statements under GAAP for the December 2008 and 2007 quarters.

Delta presents its financial results for the December 2008 and December 2007 quarters under GAAP as well as on a "combined" basis. "Combined" basis means the company combines the financial results of Delta and Northwest as if the merger had occurred prior to the beginning of the applicable period. For example, Delta's financial results on a combined basis for the December 2008 quarter include the financial results of Northwest Airlines for the period October 1, 2008 through December 31, 2008. Similarly, Delta's financial results on a combined basis for the December 2007 quarter include the financial results of Northwest Airlines for the period October 1, 2007 through December 31, 2007. Delta believes presenting this financial information on a combined basis provides a more meaningful basis for comparing Delta's year-over-year financial performance than the GAAP financial information.

The year-over-year guidance comparisons assume the 2008 financial statements for the applicable periods were prepared on a combined basis, excluding special items and out-of-period fuel hedge losses. Delta is unable to reconcile certain forward-looking projections to GAAP, including projected Mainline non-fuel CASM, as the nature or amount of special items cannot be estimated at this time.

- Delta excludes special items because management believes the exclusion of these items is helpful to investors to evaluate the company's recurring operational performance.
- Delta excludes mark-to-market (MTM) adjustments on fuel hedges settling in 2009 in order to more consistently reflect fuel expense for the respective period. Under normal hedge accounting, these MTM adjustments would be included within accumulated other comprehensive income and not impact the statement of operations until the month of settlement.
- Delta excludes fuel hedge losses on contracts that settled in 2008 because management believes the volatility in fuel prices mask the progress toward achieving business plan targets.
- Delta presents Mainline CASM excluding fuel expense and related taxes because management believes the volatility in fuel prices mask the progress toward achieving business plan targets.
- Mainline cost per available seat mile (CASM) excludes \$221 million and \$123 million for the years ended December 31, 2008 and 2007, respectively, and Combined Mainline CASM excludes \$303 million and \$406 million for the years ended December 31, 2008 and 2007, respectively, in transactions with third parties as these costs are not associated with the generation of a seat mile. These transactions include expenses related to Delta's providing maintenance services, staffing services and freight operations as well as Delta's vacation wholesale operations.
- Delta presents length of haul adjusted passenger revenue per available seat mile (PRASM), including adjustments for other airline revenue and certain other revenue, because management believes this provides a more meaningful comparison of the company's PRASM to the industry.

**Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures
December 31, 2008**

	<u>Three Months Ended December 31, 2008</u>	<u>Year Ended December 31, 2008</u>
(in millions, except per share data)		
Net loss	\$ (1,438)	\$ (8,922)
Items excluded:		
Impairment of goodwill and other intangible assets	-	7,296
Merger-related expenses	969	978
Restructuring and related items	18	139
MTM adjustments to fuel hedges settling in 2009	91	91
Write-down in value of auction rate securities	20	20
Termination of contract carrier arrangements	-	14
Income tax benefit associated with intangible assets	-	(119)
Net loss excluding special items and MTM adjustments to fuel hedges settling in 2009	<u>\$ (340)</u>	<u>\$ (503)</u>
Basic and diluted weighted average shares outstanding	682	468
Basic and diluted loss per share excluding special items and MTM adjustments to fuel hedges settling in 2009	<u>\$ (0.50)</u>	<u>\$ (1.08)</u>

	<u>Three Months Ended December 31, 2008</u>
(in millions)	
Net loss excluding special items and MTM adjustments to fuel hedges settling in 2009 per above	\$ (340)
Items excluded:	
Fuel hedge losses on contracts that settled in 2008	507
Net income excluding fuel hedge losses, special items and MTM adjustments to fuel hedges settling in 2009	<u>\$ 167</u>

Passenger and operating revenue

	<u>Delta Three Months Ended December 31, 2008</u>	<u>Northwest October 1, 2008 to October 29, 2008</u>	<u>Combined Three Months Ended December 31, 2008</u>	<u>Passenger Mile Yield</u>	<u>PRASM</u>
(in millions)					
Passenger:					
Domestic	\$ 2,639	\$ 420	\$ 3,059	13.31 ¢	11.14 ¢
Atlantic	1,129	134	1,263	12.02	9.26
Latin America	308	2	310	14.92	10.93
Pacific	452	185	637	11.71	9.90
Total mainline	4,528	741	5,269	12.91	10.50
Regional carriers	1,207	181	1,388	22.99	17.56
Total passenger revenue	5,735	922	6,657	14.21	11.46
Cargo	230	55	285		
Other, net	748	78	826		
Total operating revenue	<u>\$ 6,713</u>	<u>\$ 1,055</u>	<u>\$ 7,768</u>		

	<u>Three Months Ended December 31, 2007</u>			<u>Passenger Mile Yield</u>	<u>PRASM</u>
	<u>Delta</u>	<u>Northwest</u>	<u>Combined</u>		
(in millions)					
Passenger:					
Domestic	\$ 1,930	\$ 1,409	\$ 3,339	13.38 ¢	10.71 ¢
Atlantic	797	346	1,143	13.35	10.36
Latin America	277	19	296	11.22	9.47
Pacific	48	533	581	12.73	10.22
Total mainline	3,052	2,307	5,359	22.30	16.94
Regional carriers	1,015	337	1,352	13.93	11.11
Total passenger revenue	4,067	2,644	6,711		
Cargo	132	242	374		
Other, net	484	221	705		
Total operating revenue	<u>\$ 4,683</u>	<u>\$ 3,107</u>	<u>\$ 7,790</u>		

	<u>Year Ended December 31, 2008</u>	
	<u>Delta</u>	<u>Northwest</u>
PRASM	11.82 ¢	12.52 ¢
Length of haul adjustment, including adjustments for other airline and passenger revenue	0.22	(0.25)
Length of haul adjusted PRASM, including adjustments for other airline and passenger revenue	<u>12.04 ¢</u>	<u>12.27 ¢</u>
Industry average PRASM	11.92 ¢	11.92 ¢
Percentage of industry average	<u>101%</u>	<u>103%</u>

	Three Months Ended December 31,	
	2008	2007
(in millions)		
Operating expense	\$ 7,810	\$ 4,685
Items excluded:		
Merger-related items	(969)	-
Restructuring and related items	(18)	-
MTM adjustments to fuel hedges settling in 2009	(91)	-
Operating expense excluding special items and MTM adjustments to fuel hedges settling in 2009	6,732	4,685
Northwest results for the period from October 1 to October 29, 2008 and three months ended December 31, 2007, respectively	1,641	3,020
Items excluded:		
Merger-related items	(249)	-
MTM adjustments to fuel hedges settling in 2009	(210)	21
Combined operating expense excluding special items and MTM adjustments to fuel hedges settling in 2009	\$ 7,914	\$ 7,726
Combined operating expense including special items and MTM adjustments to fuel hedges settling in 2009	\$ 9,451	\$ 7,705

	Three Months Ended December 31,	
	2008	2007
Mainline CASM	14.83 ¢	11.18 ¢
Items excluded:		
Merger-related items	(2.22)	-
MTM adjustments to fuel hedges settling in 2009	(0.21)	-
Transactions with third parties and other	(0.51)	(0.39)
Fuel expense and related taxes	(4.67)	(4.00)
Operating expense excluding fuel expense and related taxes, special items and MTM adjustments to fuel hedges settling in 2009	7.22 ¢	6.79 ¢
ASMs	43,532	31,358

	Three Months Ended December 31,	
	2008	2007
(in millions, except per cent data)		
Combined Mainline CASM	\$ 6,457	\$ 3,507
Mainline operating expense		
Northwest results for the period from October 1 to October 29, 2008 and three months ended December 31, 2007, respectively	1,542	2,689
Combined Mainline operating expense	\$ 7,999	\$ 6,196
Combined Mainline CASM	15.94 ¢	11.82 ¢
Merger-related items	(2.43)	-
MTM adjustments to fuel hedges settling in 2009	(0.60)	0.04
Transactions with third parties and other	(0.60)	(0.77)
Fuel expense and related taxes	(5.02)	(4.00)
Combined Mainline CASM excluding fuel expense and related taxes, special items and MTM adjustments to fuel hedges settling in 2009	7.29 ¢	7.09 ¢
Combined ASMs	50,194	52,420

	Three Months Ended December 31,	
	2008	2007
(in millions)		
Total other expense, net	\$ (341)	\$ (103)
Northwest results for the period from October 1 to October 29, 2008 and three months ended December 31, 2007, respectively	(43)	(101)
Items excluded:		
Write-down in value of auction rate securities	20	-
Loss on sale of interest in affiliate	-	14
Combined Total other expense, net excluding special items	\$ (364)	\$ (190)

	Three Months Ended December 31, 2008
Average price per fuel gallon	\$ 3.01
Items excluded:	
MTM adjustments to fuel hedges settling in 2009	(0.11)
Average price per fuel gallon excluding MTM adjustments to fuel hedges settling in 2009	\$ 2.90

	FORECAST			
	March 2009 Quarter Projected Range		Full Year 2009 Projected Range	
Mainline CASM projection	12.36 ¢	12.50 ¢	11.62 ¢	11.76 ¢
Items excluded:				
Transactions with third parties and other	(0.53)	(0.53)	(0.54)	(0.54)
Profit Sharing	-	-	(0.08)	(0.08)
Fuel expense and related taxes	(3.83)	(3.83)	(3.45)	(3.45)
Mainline CASM projection excluding fuel expense and related taxes and special items	8.00 ¢	8.14 ¢	7.55 ¢	7.69 ¢
Change year-over-year in Mainline CASM excluding fuel expense and related taxes and special items	7%	9%	5%	7%

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures December 31, 2008

(in millions)	Three Months Ended December 31, 2008
Net cash provided by financing activities	\$ 3,513
Adjustments:	
Merger with Northwest, net of cash acquired	(2,441)
Decrease in short-term investments	(726)
Decrease in restricted cash	(607)
Northwest results for the period from October 1 to October 29, 2008	(143)
Combined property and equipment additions	<u>\$ (404)</u>

(in millions)	Three Months Ended December 31, 2008
Flight equipment, including advance payments	\$ (225)
Proceeds from sales of flight equipment	44
Northwest results for the period from October 1 to October 29, 2008	(150)
Combined net expenditures for flight equipment	<u>\$ (331)</u>

DELTA AIR LINES, INC.
Unaudited Combined Statements of Operations
Excluding Special Items

(in millions)	Delta	Northwest	Special Items	Combined	Delta	Northwest	Special Items	Combined
	Three Months Ended December 31, 2008	October 1, 2008 Through October 29, 2008		Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Three Months Ended December 31, 2007		Three Months Ended December 31, 2007
OPERATING REVENUE:								
Passenger:								
Mainline	4,528	741	-	5,269	3,052	2,307	-	5,359
Regional carriers	1,207	181	-	1,388	1,015	337	-	1,352
Total passenger revenue	5,735	922	-	6,657	4,067	2,644	-	6,711
Cargo	230	55	-	285	132	242	-	374
Other, net	748	78	-	826	484	221	-	705
Total operating revenue	6,713	1,055	-	7,768	4,683	3,107	-	7,790
Aircraft fuel and related taxes	2,294	750	(301) ¹	2,743	1,356	936	21 ⁶	2,313
Salaries and related costs	1,533	245	(25) ²	1,753	1,070	735	-	1,805
Contract carrier arrangements	884	77	-	961 ³	851	234	-	1,085 ⁷
Aircraft maintenance materials and outside repairs	333	49	-	382	245	222	-	467
Contracted services	370	65	-	435	246	210	-	456
Passenger commissions and other selling expenses	298	72	-	370	212	211	-	423
Depreciation and amortization	374	39	-	413	288	128	-	416
Landing fees and other rents	285	43	-	328	175	114	-	289
Aircraft rent	106	17	-	123	60	53	-	113
Passenger service	129	20	-	149	88	58	-	146
Restructuring and merger-related items	987	224	(1,211) ⁴	-	-	-	-	-
Other	217	40	-	257	94	119	-	213
Total operating expense	7,810	1,641	(1,537)	7,914	4,685	3,020	21	7,726
OPERATING (LOSS) INCOME	(1,097)	(586)	1,537	(146)	(2)	87	(21)	64
Interest expense	(277)	(39)	-	(316)	(138)	(126)	-	(264)
Interest income	19	5	-	24	39	51	-	90
Miscellaneous, net	(83)	(9)	20 ⁵	(72)	(4)	(26)	14 ⁸	(16)
Total other expense, net	(341)	(43)	20	(364)	(103)	(101)	14	(190)
LOSS BEFORE INCOME TAXES	(1,438)	(629)	1,557	(510)	(105)	(14)	(7)	(126)
INCOME TAX BENEFIT	-	-	-	-	35	6	-	41
NET LOSS	<u>\$ (1,438)</u>	<u>\$ (629)</u>	<u>\$ 1,557</u>	<u>\$ (510)</u>	<u>\$ (70)</u>	<u>\$ (8)</u>	<u>\$ (7)</u>	<u>\$ (85)</u>

¹ \$301 in out-of-period fuel hedges

² \$25 of retention payments related to the merger

³ Contract carrier arrangements expense includes \$337 million for aircraft fuel and related taxes for the three months ended December 31, 2008.

⁴ \$1,193 in merger-related charges and \$18 in facilities restructuring

⁵ \$20 write-down in value of auction rate securities

⁶ \$21 in out-of-period fuel hedges

⁷ Contract carrier arrangements expense includes \$397 million for aircraft fuel and related taxes for the three months ended December 31, 2007.

⁸ \$14 loss on sale of interest in affiliate

We reclassified prior period amounts to conform to current presentations.