

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

We sometimes use information that is derived from our Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Certain of this information is considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. The non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

Delta is unable to reconcile certain forward-looking projections to GAAP, including projected consolidated non-fuel cost per available seat mile (CASM) and 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 presents cash used in investing and investments in aircraft, parts and modifications because management believes these metrics are helpful to investors to evaluate the company's investing activities.

Delta presents total debt payments because management believes this metric is helpful to investors to evaluate the company's debt-related activities.

Delta uses adjusted total debt, including aircraft rent, in addition to long-term adjusted debt and capital leases, to present estimated financial obligations. Delta reduces adjusted total debt by cash, cash equivalents and short-term investments, resulting in adjusted net debt, to present the amount of additional assets needed to satisfy the debt.

Delta presents consolidated and Mainline CASM excluding fuel expense and related taxes because management believes the volatility in fuel prices impacts the comparability of year-over-year financial performance.

Consolidated and Mainline CASM excludes ancillary businesses not associated with the generation of a seat mile. These businesses include aircraft maintenance and staffing services Delta provides to third parties, Delta's vacation wholesale operations and its dedicated freighter operations, which we discontinued on December 31, 2009.

Delta excludes profit sharing expense from consolidated and Mainline CASM because management believes the exclusion of this item provides a more meaningful comparison of the company's results to the airline industry and prior year results.

Delta presents free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash.

Earnings before interest, taxes, depreciation, amortization and aircraft rent (EBITDAR) has been presented as management believes it is helpful to investors in utilizing EBITDAR as a proxy for operating cash flow on a period over period basis.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures
December 31, 2010

(in millions)	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Net income (loss)	\$ 19	\$ (25)	\$ 593	\$ (1,237)
Items excluded:				
Restructuring and merger-related items	108	121	450	407
Loss on extinguishment of debt	31	-	391	83
Income tax benefit related to other comprehensive income	-	(321)	-	(321)
Other	-	-	10	-
Net income excluding special items	<u>\$ 158</u>	<u>\$ (225)</u>	<u>\$ 1,444</u>	<u>\$ (1,068)</u>
Diluted weighted average shares outstanding	845			
Earnings per share excluding special items	<u>\$ 0.19</u>			

(in millions)	Three Months Ended December 31,	
	2010	2009
Non-operating expense	\$ 273	\$ 309
Item excluded:		
Loss on extinguishment of debt	(31)	-
Non-operating expense excluding special items	<u>\$ 242</u>	<u>\$ 309</u>

(in millions)	Three Months Ended
	December 31, 2010
Flight equipment, including advance payments (GAAP)	\$ 302
Adjustment:	
Payments under seller financing	(124)
Investments in aircraft, parts and modifications	<u>\$ 178</u>

(in millions)	Three Months Ended
	December 31, 2010
Net cash provided by operating activities (GAAP)	\$ 318
Net cash used in investing activities (GAAP)	(669)
Adjustments:	
Purchase of short-term investments	279
Payments under seller financing	124
Cash used in investing	(266)
Total free cash flow	<u>\$ 52</u>

(in billions)	Year Ended
	December 31, 2010
Net cash provided by operating activities (GAAP)	\$ 2.8
Net cash used in investing activities (GAAP)	(2.0)
Adjustments:	
Purchase of short-term investments	0.7
Payments under seller financing	0.1
Total free cash flow	<u>\$ 1.6</u>

(in billions)

Payment on long-term debt and capital lease obligations	\$ 1.2
Adjustment:	
Payments under seller financing	0.1
Total debt payments	<u>\$ 1.3</u>

(in billions)

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Debt and capital lease obligations	\$ 15.3	\$ 17.2
Plus: unamortized discount, net from purchase accounting and fresh start reporting	0.6	1.1
Adjusted debt and capital lease obligations	\$ 15.9	\$ 18.3
Plus: 7x last twelve months' aircraft rent	2.7	3.4
Adjusted total debt	18.6	21.7
Less: cash, cash equivalents and short-term investments	(3.6)	(4.7)
Adjusted net debt	<u>\$ 15.0</u>	<u>\$ 17.0</u>

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
CASM	13.14 ¢	12.85 ¢	12.69 ¢	12.32 ¢
Ancillary businesses	(0.31)	(0.33)	(0.28)	(0.31)
CASM excluding items not related to generation of a seat mile	12.83 ¢	12.52 ¢	12.41 ¢	12.01 ¢
Items excluded:				
Restructuring and merger-related items	(0.19)	(0.23)	(0.19)	(0.18)
Profit sharing	(0.07)	-	(0.13)	-
Aircraft fuel and related taxes	(4.05)	(3.61)	(3.82)	(3.55)
CASM excluding certain items	<u>8.52 ¢</u>	<u>8.68 ¢</u>	<u>8.27 ¢</u>	<u>8.28 ¢</u>

(in millions, except per cent data)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Consolidated operating expense	\$ 7,495	\$ 6,851	\$ 29,538	\$ 28,387
Less regional carriers operating expense	(1,512)	(1,460)	(6,207)	(5,807)
Mainline operating expense	<u>\$ 5,983</u>	<u>\$ 5,391</u>	<u>\$ 23,331</u>	<u>\$ 22,580</u>
Mainline CASM	12.14 ¢	11.83 ¢	11.62 ¢	11.42 ¢
Ancillary businesses	(0.32)	(0.39)	(0.29)	(0.38)
Mainline CASM excluding items not related to generation of a seat mile	11.82 ¢	11.44 ¢	11.33 ¢	11.04 ¢
Items excluded:				
Restructuring and merger-related items	(0.21)	(0.26)	(0.14)	(0.20)
Profit sharing	(0.08)	-	(0.16)	-
Aircraft fuel and related taxes	(3.78)	(3.38)	(3.57)	(3.44)
Mainline CASM excluding certain items	<u>7.75 ¢</u>	<u>7.80 ¢</u>	<u>7.46 ¢</u>	<u>7.40 ¢</u>

	Three Months Ended
	December 31, 2010
(in millions)	
Operating income	\$ 294
Item excluded:	
Restructuring and merger-related items	108
Operating income excluding special items	<u>\$ 402</u>

	Three Months Ended	Year Ended
	December 31, 2010	December 31, 2010
(in millions)		
Pre-tax income	\$ 21	\$ 608
Other non-operating expense, net	273	1,609
Depreciation and amortization	372	1,511
Aircraft rent	82	387
Item excluded:		
Restructuring and merger related items	108	450
EBITDAR	<u>\$ 856</u>	<u>\$ 4,565</u>

	Three Months Ended	Three Months Ended
	December 31, 2010	December 31, 2009
(in millions)		
Operating expense	\$ 7,495	\$ 6,851
Item excluded:		
Restructuring and merger-related items	(108)	(121)
Operating expense excluding certain items	<u>\$ 7,387</u>	<u>\$ 6,730</u>