

Non-GAAP Financial Measures

We sometimes use information that is derived from our Condensed 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 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 net investing activities because management believes this metric is helpful to investors to evaluate the company’s investing activities.

Delta presents net debt maturities 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 CASM excluding aircraft fuel and related taxes because management believes the volatility in fuel prices impacts the comparability of year-over-year financial performance.

Consolidated 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 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.

Pre-Tax Income

(in millions)	Three Months Ended September 30,	
	2010	2009
Pre-tax income (loss)	\$ 366	\$ (179)
Items excluded:		
Loss on extinguishment of debt	360	83
Restructuring and merger-related items	<u>206</u>	<u>129</u>
Pre-tax income excluding special items	<u>\$ 932</u>	<u>\$ 33</u>

Operating Margin

(in millions)	Three Months Ended September 30,	
	2010	2009
Operating income	\$ 1,003	\$ 204
Item excluded:		
Restructuring and merger-related items	<u>206</u>	<u>129</u>
Operating income excluding special items	<u>\$ 1,209</u>	<u>\$ 333</u>
Total operating revenue	\$ 8,950	\$ 7,574
Operating margin excluding special items	13.5%	4.4%

Non-Fuel CASM

	Three Months Ended September 30,	
	2010	2009
CASM	12.48 ¢	11.84 ¢
Items excluded:		
Ancillary businesses	(0.26)	(0.28)
Profit sharing	(0.29)	-
Restructuring and merger-related items	(0.32)	(0.21)
Aircraft fuel and related taxes	(3.77)	(3.53)
CASM excluding certain items	<u>7.84 ¢</u>	<u>7.82 ¢</u>

Net Investing Activities

(in billions)	Nine Months Ended September 30, 2010	
Net cash used in investing activities (GAAP)	\$	1.4
Item excluded:		
Purchase of investments, net		<u>(0.4)</u>
Net investing activities	\$	<u><u>1.0</u></u>

Net Debt Maturities

(in billions)	Nine Months Ended September 30, 2010	
Net cash used in financing activities (GAAP)	\$	2.3
Item excluded:		
Pay down of revolving credit facility		<u>(0.9)</u>
Net debt maturities	\$	<u><u>1.4</u></u>

Adjusted Net Debt

(in billions)	September 30, 2010	December 31, 2009
Debt and capital lease obligations	\$ 15.4	\$ 17.2
Plus: unamortized discount, net from purchase accounting and fresh start reporting	<u>0.7</u>	<u>1.1</u>
Adjusted debt and capital lease obligations	\$ 16.1	\$ 18.3
Plus: 7x last twelve months' aircraft rent	<u>3.0</u>	<u>3.4</u>
Adjusted total debt	19.1	21.7
Less: cash, cash equivalents and short-term investments	<u>(3.9)</u>	<u>(4.7)</u>
Adjusted net debt	<u>\$ 15.2</u>	<u>\$ 17.0</u>