

## **Non-GAAP Financial Measures**

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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 is unable to reconcile certain forward-looking projections to GAAP 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 net investing activities because management believes this metric is helpful to investors to evaluate the company’s investing 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 return on invested capital (ROIC) as management believes it is helpful to investors in assessing the company's ability to generate returns using its invested capital. ROIC represents operating income excluding special items divided by the sum of average market value of equity and average adjusted net debt.

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

## Pre-Tax Income

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(in millions)	Full Year 2010	Full Year 2009
Pre-tax income (loss)	\$ 608	\$ (1,581)
Items excluded:		
Restructuring and merger-related items	450	407
Loss on extinguishment of debt	391	83
Other	10	-
Pre-tax income (loss) excluding special items	<u>\$ 1,459</u>	<u>\$ (1,091)</u>

## Operating Income & Margin

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(in billions)	Full Year 2010
Operating income	\$ 2,217
Item excluded:	
Restructuring and merger-related items	<u>450</u>
Operating income excluding special items	<u>\$ 2,667</u>
Total operating revenue	\$ 31,755
Operating margin excluding special items	8.4%

## Total capital expenditures

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(in billions)	Full Year 2009	Full Year 2008
Delta property and equipment additions (GAAP)	\$ 1.2	\$ 1.5
Northwest property and equipment additions (GAAP) for the period from January 1 to October 29, 2008	-	1.1
Other	<u>0.1</u>	<u>(0.4)</u>
Total capital expenditures	<u>\$ 1.3</u>	<u>\$ 2.2</u>

## Adjusted Net Debt & ROIC

(in billions)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Debt and capital lease obligations	\$ 15.3	\$ 15.4	\$ 15.8	\$ 16.9	\$ 17.2
Plus: unamortized discount, net from purchase accounting and fresh start reporting	0.6	0.7	1.0	1.1	1.1
Adjusted debt and capital lease obligations	\$ 15.9	\$ 16.1	\$ 16.8	\$ 18.0	\$ 18.3
Plus: 7x last twelve months' aircraft rent	2.7	3.0	3.2	3.3	3.4
Adjusted total debt	18.6	19.1	20.0	21.3	21.7
Less: cash, cash equivalents and short-term investments	(3.6)	(3.9)	(4.4)	(4.9)	(4.7)
Adjusted net debt	<u>\$ 15.0</u>	<u>\$ 15.2</u>	<u>\$ 15.6</u>	<u>\$ 16.4</u>	<u>\$ 17.0</u>

(in billions, except % return)	2010
Operating income	\$ 2.7
Market value of equity (assuming \$12.60/ share)	\$ 10.6
Adjusted net debt	\$ 15.5
Total invested capital	\$ 26.1
Return on invested capital	10%