

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 is unable to reconcile certain forward-looking projections to GAAP, including projected consolidated unit cost, 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 adjusts for mark-to-market ("MTM") adjustments for fuel hedges recorded in periods other than the settlement period in order to evaluate the company's financial results related to operations in the period shown.

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

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 unit cost excluding ancillary businesses not associated with the generation of a seat mile. These businesses include aircraft maintenance and staffing services Delta provides to third parties and Delta's vacation wholesale operations.

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

Operating Income

(in millions)	Three Months Ended June 30, 2011	
Operating income	\$	481
Items excluded:		
Restructuring and other items		144
MTM adjustments for fuel hedges recorded in periods other than the settlement period		<u>11</u>
Operating income excluding special items	\$	<u><u>636</u></u>

Free Cash Flow

(in billions)	Three Months Ended June 30, 2011	
Net cash provided by operating activities (GAAP)	\$	1.0
Net cash used in investing activities (GAAP)	\$	(0.3)
Adjustments:		
Redemption of short-term investments		(0.2)
Purchase of short-term investments		0.2
Cash used in investing		<u>(0.3)</u>
Total free cash flow	\$	<u><u>0.7</u></u>

Adjusted Net Debt

(in billions)	June 30, 2011	December 31, 2009
Debt and capital lease obligations	\$ 14.7	\$ 17.2
Plus: unamortized discount, net from purchase accounting and fresh start reporting	0.6	1.1
Adjusted debt and capital lease obligations	\$ 15.3	\$ 18.3
Plus: 7x last twelve months' aircraft rent	2.3	3.4
Adjusted total debt	17.6	21.7
Less: cash, cash equivalents and short-term investments	(3.8)	(4.7)
Adjusted net debt	<u>\$ 13.8</u>	<u>\$ 17.0</u>

Net Income

(in millions)	Six Months Ended June 30,	
	2011	2010
Net (loss) income	\$ (120)	\$ 211
Items excluded:		
Restructuring and other items	151	136
Loss on extinguishment of debt	33	-
MTM adjustments for fuel hedges recorded in periods other than the settlement period	(18)	-
Other	-	10
Net income excluding special items	<u>\$ 46</u>	<u>\$ 357</u>

Fuel Hedge Gains

(in millions)	Three Months Ended	
	June 30, 2011	March 31, 2011
Fuel hedge gains	\$ 107	\$ 107
Item excluded:		
MTM adjustments for fuel hedges recorded in periods other than the settlement period	11	(29)
Fuel hedge gains adjusted for MTM adjustments for fuel hedges recorded in periods other than the settlement period	<u>\$ 118</u>	<u>\$ 78</u>

	Three Months Ended	
	June 30, 2011	March 31, 2011
Fuel hedge gains per gallon	\$ 0.11	\$ 0.11
Item excluded:		
MTM adjustments for fuel hedges recorded in periods other than the settlement period	0.01	(0.03)
Fuel hedge gains per gallon adjusted for MTM adjustments for fuel hedges recorded in periods other than the settlement period	<u>\$ 0.12</u>	<u>\$ 0.08</u>

Unit Cost

	Year Ended December 31,	
	2010	2009
Unit cost	12.69 ¢	12.32 ¢
Items excluded:		
Ancillary businesses	(0.28)	(0.31)
Restructuring and other items	(0.19)	(0.18)
Profit sharing	(0.13)	-
Aircraft fuel and related taxes	<u>(3.82)</u>	<u>(3.55)</u>
Unit cost excluding fuel and special items	<u>8.27 ¢</u>	<u>8.28 ¢</u>

Capital Expenditures

(in billions)	Year Ended December 31,	
	2009	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	0.1	(0.4)
Total capital expenditures	<u>\$ 1.3</u>	<u>\$ 2.2</u>