

## **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, 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 excludes non-cash mark-to-market (MTM) adjustments related to fuel hedges settling in future periods in order to evaluate the company’s financial results related to operations in the period shown.

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

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 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 market value of equity and average adjusted net debt.

## Operating Income

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(in millions)	<b>Last Twelve Months Ended March 31, 2011</b>	
Operating income	\$	2,057
Items excluded:		
MTM adjustments for fuel hedges settling in future periods		(29)
Restructuring and other items		403
Operating income excluding special items	\$	<u>2,431</u>

## Operating Margin

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	<b>Last Twelve Months Ended March 31, 2011</b>
Operating margin	6.3%
Items excluded:	
MTM adjustments for fuel hedges settling in future periods	-0.1%
Restructuring and other items	1.2%
Operating margin excluding special items	<u>7.4%</u>

## Adjusted Net Debt

(in billions)	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Debt and capital lease obligations	\$ 15.2	\$ 15.3	\$ 15.4	\$ 15.8	\$ 16.9	\$ 17.2
Plus: unamortized discount, net from purchase accounting and fresh start reporting	0.6	0.6	0.7	1.0	1.1	1.1
Adjusted debt and capital lease obligations	\$ 15.8	\$ 15.9	\$ 16.1	\$ 16.8	\$ 18.0	\$ 18.3
Plus: 7x last twelve months' aircraft rent	2.5	2.7	3.0	3.2	3.3	3.4
Adjusted total debt	18.3	18.6	19.1	20.0	21.3	21.7
Less: cash, cash equivalents and short-term investments	(3.8)	(3.6)	(3.9)	(4.4)	(4.9)	(4.7)
Adjusted net debt	<u>\$ 14.5</u>	<u>\$ 15.0</u>	<u>\$ 15.2</u>	<u>\$ 15.6</u>	<u>\$ 16.4</u>	<u>\$ 17.0</u>

## Free Cash Flow

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(in millions)	Three Months Ended March 31, 2011	
Net cash provided by operating activities (GAAP)	\$	788
Net cash used in investing activities (GAAP)	\$	(576)
Adjustment:		
Purchase of short-term investments		240
Cash used in investing		<u>(336)</u>
Total free cash flow	\$	<u>452</u>

## Unit Cost

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	Three Months Ended March 31,	
	2011	2010
Unit cost	13.94 ¢	12.72 ¢
Items excluded:		
Ancillary businesses	(0.30)	(0.26)
Restructuring and other items	(0.01)	(0.10)
MTM adjustments for fuel hedges settling in future periods	0.05	-
Unit cost excluding special items	<u>13.68 ¢</u>	<u>12.36 ¢</u>
March quarter 2011 YOY change	11%	

## Capital Expenditures

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(in billions)	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	<u>0.1</u>	<u>(0.4)</u>
Total capital expenditures	<u>\$ 1.3</u>	<u>\$ 2.2</u>

## ROIC

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	<b>Last Twelve Months Ended March 31, 2011</b>
(in billions, except % return)	
Operating income excluding special items	\$ 2.4
Market value of equity (assuming \$12.60/ share)	\$ 10.7
Average adjusted net debt	\$ 15.0
Total invested capital	\$ 25.7
Return on invested capital	9.5%