



June 7, 2006

Dear Delta Pilot Retiree:

This notice provides important information about a stipulation recently agreed to between Delta Air Lines, Inc. and DP3, Inc., a group representing a large number of retired Delta pilots. The agreement, which was approved by the U.S. Bankruptcy Court, pertains to the non-qualified pension benefits of retired Delta pilots or their beneficiaries. As you may know, non-qualified pension benefits are the benefits that are payable through the Delta Pilots Bridge Plan and the Delta Pilots Supplemental Annuity Plan because of the limits set by law on amounts payable through the Delta Pilots Retirement Plan.

Because this is a complex matter that involves issues of bankruptcy law and procedure that may not be easily understood by anyone not familiar with such matters, you may wish to review this matter with your legal and/or financial advisor. A copy of the court-approved Stipulation is enclosed with this letter. Please take the time to review the entire Stipulation. DP3 has posted its summary of the Stipulation on its web site, [www.dp3.org](http://www.dp3.org), and also has offered to answer questions submitted via that web site.

As you review the three-point summary provided below, please be aware that:

- This Stipulation does *not* affect benefits under the Delta Pilots Retirement Plan, which is a separate, qualified plan that is insured by the Pension Benefit Guaranty Corporation (“PBGC”).
- This Stipulation does apply to all retired Delta pilots who have claims related to non-qualified pension benefits that have not been paid as a result of Delta’s filing for reorganization under Chapter 11 of the U.S. Bankruptcy Code on September 14, 2005.
- Retired pilots who are receiving disability benefits will not receive the benefits of the settlement summarized below except to the extent they have experienced, since the date of Delta’s Chapter 11 filing, a net reduction in benefits as a result of unpaid non-qualified pension benefits. For example, retired pilots who had the offset of disability benefits based on unpaid non-qualified benefits restored earlier this year in most cases will not have experienced a net reduction in such disability benefits. Moreover, Delta will not seek to recover the restored offset amounts that already have been paid. Changes, if any, to disability benefits going forward would be done in compliance with applicable requirements of section 1114 of the Bankruptcy Code.
- Retired Delta pilots or their beneficiaries can object to the Stipulation by filing an objection with the Bankruptcy Court and serving it in accordance with the Bankruptcy Court’s procedures by **June 20, 2006**.
- If you do not properly object by June 20, you will receive the benefits of, but also be governed by, the terms of the Stipulation.

The Stipulation has three principal components:

1) **It provides for \$9 million in an administrative claim to be distributed to retired Delta pilots on a pro-rata basis following approval of Delta's plan of reorganization.**

This administrative claim will be paid in cash once a plan of reorganization has been approved by the Bankruptcy Court and becomes effective. The \$9 million in cash, less reasonable DP3 legal expenses if approved by the court, would be paid pro-rata based on the amount of each covered pilot's claim for unpaid non-qualified pension benefits between the date of Delta's Chapter 11 filing and such time as the non-qualified plans are terminated. It is not definitely known at this time when the non-qualified pension plans will be terminated. However, in the recent LOA 51 agreement between ALPA and Delta, which has been approved by the Bankruptcy Court, it was agreed that the non-qualified pension plans could be terminated when the qualified pilot pension plan terminates. Delta believes that the qualified pension plan cannot be sustained if Delta is to survive and, therefore, the termination of the qualified and the non-qualified plans is likely to occur in the coming months.

2) **It provides a general unsecured non-priority claim for pre-termination claims in excess of the \$9 million administrative claim.**

The remaining amount of the accrued claims for non-qualified pension benefits arising between the date of Delta's Chapter 11 filing and the date of termination of the non-qualified plans (*i.e.*, that are in excess of the \$9 million administrative claim) will be treated as an allowed pre-petition non-priority general unsecured claim for purposes of Delta's plan of reorganization. That claim, which will receive a distribution at some number of "cents-on-the-dollar," will likely be paid in equity or other securities of reorganized Delta. This claim also will be allocated among covered pilots on a pro-rata basis.

3) **It provides the option to contest in the future the determination of whether there is a claim for unpaid non-qualified pension benefits for the period after the non-qualified plans are terminated.**

Whether there is any general unsecured claim for non-qualified pension benefits relating to the period after the non-qualified pension plans have been terminated (and, if so, in what amount) is an issue that will be addressed in the future. It is possible that a negotiated settlement will be reached on a pre-petition claim for such benefits. If not, pilots who retired prior to the termination date of the non-qualified plans wishing to assert a claim for unpaid non-qualified pension benefits would have the right to contest that issue in the Bankruptcy Court at an appropriate time in the future.

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Delta is pleased that it was able to fully resolve DP3's concerns through the attached Stipulation, and to secure the approval of the Official Committee of Unsecured Creditors and the Bankruptcy Court to provide retired pilots with the claims and payments described above on account of their non-qualified pension benefits.

In addition to affecting current Delta employees and other stakeholders, we recognize that our restructuring also impacts retired Delta employees, including retired Delta pilots, all of whom have made a contribution to this company. However, we do believe that our restructuring, and the accompanying sacrifices, are necessary to enable Delta to survive and preserve future value for its employees, retirees and other stakeholders.

Thank you and, again, please take the time to review the attached Stipulation to gain a full understanding of the issues on this important matter.

If you have any questions please call (866) 686-8702.

Robert L. Kight

A handwritten signature in black ink, appearing to read 'R. Kight', with a stylized flourish at the end.

Vice President,  
Compensation, Benefits & Services