

**LIQUIDATION ANALYSES**  
**of**  
**CONSOLIDATED DEBTORS**  
**DELTA DEBTORS**  
**and**  
**COMAIR DEBTORS**

**Consolidated Hypothetical Liquidation Analysis**  
**for**  
**Consolidated Debtors<sup>1</sup>**  
**(unaudited)**  
**(\$mm)**

This Liquidation Analysis should be read in conjunction with the accompanying Notes.  
Based on Debtors' September 30, 2006 Unaudited Balance Sheet Data

| <b>Notes</b>                           |  | <b>DIP Repayment</b>    |                          |                         |                          |                         |                         |
|--|--|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| 1                                      | Consolidated Cash and ST Investments                             | \$                      | 2,808                    |                         |                          |                         |                         |
|  | Less: DIP Repayment  |                         | (2,015)                  |                         |                          |                         |                         |
|  | Remaining Consolidated Cash and ST Investments                   | \$                      | 793                      |                         |                          |                         |                         |
| <b>Assets</b>                          |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          | <b>High</b>             |                          |                         |                         |
|  |  | Book Value              | Estimated Recovery Value | Estimated Recovery Rate | Estimated Recovery Value | Estimated Recovery Rate |                         |
| 2                                      | Cash and ST Investments  | 793                     | 793                      | 100.0%                  | 793                      | 100.0%                  |                         |
| 3                                      | Restricted Cash  | 1,021                   | -                        | 0.0%                    | -                        | 0.0%                    |                         |
| 4                                      | Third-Party Accounts Receivable                                  | 999                     | 389                      | 39.0%                   | 584                      | 58.5%                   |                         |
| 5                                      | I/C Pre-Petition Receivables                                     | N/A                     | N/A                      | N/A                     | N/A                      | N/A                     |                         |
| 6                                      | I/C Post-Petition Receivables                                    | N/A                     | N/A                      | N/A                     | N/A                      | N/A                     |                         |
| 7                                      | Fuel Inventory   | 125                     | 119                      | 95.0%                   | 123                      | 98.0%                   |                         |
| 8                                      | Other Current Assets   | 928                     | 86                       | 9.3%                    | 129                      | 13.9%                   |                         |
| 9                                      | Flight Equipment   | 11,547                  | 6,011                    | 52.1%                   | 6,643                    | 57.5%                   |                         |
| 10                                     | Other Property and Equipment                                     | 1,824                   | 194                      | 10.6%                   | 354                      | 19.4%                   |                         |
| 11                                     | Intangible Assets  | 296                     | 672                      | 227.0%                  | 766                      | 259.1%                  |                         |
| 12                                     | Other Assets   | 1,133                   | 142                      | 12.5%                   | 175                      | 15.4%                   |                         |
|  | Total Assets / Proceeds  | <u>\$ 18,666</u>        | <u>\$ 8,406</u>          | <u>45.0%</u>            | <u>\$ 9,567</u>          | <u>51.3%</u>            |                         |
| <b>Chapter 7 Administrative Claims</b> |  |                         |                          |                         |                          |                         |                         |
|  |  |                         | <b>Low</b>               |                         | <b>High</b>              |                         |                         |
| 13                                     | Trustee Fees   |                         | (167)                    |                         | (193)                    |                         |                         |
| 14                                     | Trustee's Counsel and Related                                    |                         | (107)                    |                         | (158)                    |                         |                         |
| 15                                     | Wind-Down and Professional Fees                                  |                         | (150)                    |                         | (256)                    |                         |                         |
|  | Total Liquidation Costs  |                         | <u>\$ (424)</u>          |                         | <u>\$ (607)</u>          |                         |                         |
|  | <b>Net Proceeds Available to Creditors</b>                       |                         | <u><b>\$ 7,981</b></u>   |                         | <u><b>\$ 8,960</b></u>   |                         |                         |
| <b>Estimated Recovery to Creditors</b> |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          | <b>High</b>             |                          |                         |                         |
|  |  | Estimated Allowed Claim | Estimated Amount Paid    | Estimated Recovery Rate | Estimated Allowed Claim  | Estimated Amount Paid   | Estimated Recovery Rate |
|  | Net Proceeds Available for Secured Creditors                     |                         | <u>\$ 7,981</u>          |                         | <u>\$ 8,960</u>          |                         |                         |
| 16                                     | Secured Claims   | 5,950                   | <u>(5,950)</u>           | 100.0%                  | 5,950                    | <u>(5,950)</u>          | 100.0%                  |
|  | Net Proceeds Available for Administrative and Priority Creditors |                         | <u>\$ 2,031</u>          |                         | <u>\$ 3,010</u>          |                         |                         |
| 17                                     | Total Administrative and Priority Claims                         | 10,732                  | <u>(2,031)</u>           | 18.9%                   | 10,392                   | <u>(3,010)</u>          | 29.0%                   |
|  | Net Proceeds Available to Unsecured Claims                       |                         | <u>\$ -</u>              |                         | <u>\$ -</u>              |                         |                         |
| 18                                     | Unsecured Claims   | 22,462                  | -                        | 0.0%                    | 21,862                   | -                       | 0.0%                    |

<sup>1</sup> The Consolidated Debtors are the following entities: ASA Holdings, Inc.; Comair Holdings, LLC; Comair, Inc.; Comair Services, Inc.; Crown Rooms, Inc.; DAL Aircraft Trading, Inc.; DAL Global Services, LLC; DAL Moscow, Inc.; Delta AirElite Business Jets, Inc.; Delta Air Lines, Inc.; Delta Benefits Management, Inc.; Delta Connection Academy, Inc.; Delta Corporate Identity, Inc.; Delta Loyalty Management Services, LLC; Delta Technology, LLC; Delta Ventures III, LLC; Epsilon Trading, LLC; Kappa Capital Management, Inc.; and Song, LLC.

**Consolidated Hypothetical Liquidation Analysis**  
**for**  
**Delta Debtors<sup>2</sup>**  
**(unaudited)**  
**(\$mm)**

This Liquidation Analysis should be read in conjunction with the accompanying Notes.  
Based on Debtors' September 30, 2006 Unaudited Balance Sheet Data

| <b>Notes</b>                               | <b>DIP Repayment</b>   |                         |                          |                         |                          |                         |                         |
|--|--|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
|  | Consolidated Cash and ST Investments                             | \$ 2,808                |                          |                         |                          |                         |                         |
| 1  | Less: DIP Repayment  | <u>(2,015)</u>          |                          |                         |                          |                         |                         |
|  | Remaining Consolidated Cash and ST Investments                   | \$ 793                  |                          |                         |                          |                         |                         |
|  | Percentage Allocated to Delta Consolidated                       | 93.9%                   |                          |                         |                          |                         |                         |
| <b>Assets</b>                              |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
|  |  | Book Value              | Estimated Recovery Value | Estimated Recovery Rate | Estimated Recovery Value | Estimated Recovery Rate |                         |
| 2  | Cash and ST Investments  | 744                     | 744                      | 100.0%                  | 744                      | 100.0%                  |                         |
| 3  | Restricted Cash  | 1,012                   | -                        | 0.0%                    | -                        | 0.0%                    |                         |
| 4  | Third-Party Accounts Receivable                                  | 972                     | 379                      | 39.0%                   | 568                      | 58.4%                   |                         |
| 5  | I/C Pre-Petition Receivables                                     | 34                      | 1                        | 1.9%                    | 1                        | 3.6%                    |                         |
| 6  | I/C Post-Petition Receivables                                    | -                       | 64                       | N/A                     | 64                       | N/A                     |                         |
| 7  | Fuel Inventory   | 121                     | 115                      | 95.0%                   | 119                      | 98.0%                   |                         |
| 8  | Other Current Assets   | 777                     | 77                       | 9.9%                    | 115                      | 14.8%                   |                         |
| 9  | Flight Equipment   | 10,364                  | 5,359                    | 51.7%                   | 5,923                    | 57.1%                   |                         |
| 10   | Other Property and Equipment                                     | 1,757                   | 175                      | 10.0%                   | 329                      | 18.7%                   |                         |
| 11   | Intangible Assets  | 287                     | 672                      | 234.4%                  | 766                      | 267.4%                  |                         |
| 12   | Other Assets   | 1,131                   | 142                      | 12.6%                   | 175                      | 15.5%                   |                         |
|  | Total Assets / Proceeds  | <u>\$ 17,199</u>        | <u>\$ 7,728</u>          | <u>44.9%</u>            | <u>\$ 8,805</u>          | <u>51.2%</u>            |                         |
| <b>Liquidation Costs</b>                   |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
| 13   | Trustee Fees   |                         | (154)                    |                         | (177)                    |                         |                         |
| 14   | Trustee's Counsel and Related                                    |                         | (98)                     |                         | (145)                    |                         |                         |
| 15   | Wind-Down and Professional Fees                                  |                         | (133)                    |                         | (226)                    |                         |                         |
|  | Total Liquidation Costs  |                         | <u>\$ (384)</u>          |                         | <u>\$ (549)</u>          |                         |                         |
| <b>Net Proceeds Available to Creditors</b> |  |                         | <u>\$ 7,343</u>          |                         | <u>\$ 8,256</u>          |                         |                         |
| <b>Estimated Recovery to Creditors</b>     |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
|  |  | Estimated Allowed Claim | Estimated Amount Paid    | Estimated Recovery Rate | Estimated Allowed Claim  | Estimated Amount Paid   | Estimated Recovery Rate |
|  | Net Proceeds Available for Secured Creditors                     |                         | \$ 7,343                 |                         |                          | \$ 8,256                |                         |
| 16   | Secured Claims   | 5,609                   | (5,609)                  | 100.0%                  | 5,609                    | (5,609)                 | 100.0%                  |
|  | Net Proceeds Available for Administrative and Priority Creditors |                         | \$ 1,734                 |                         |                          | \$ 2,647                |                         |
| 17   | Total Administrative and Priority Claims                         | 10,765                  | (1,734)                  | 16.1%                   | 10,477                   | (2,647)                 | 25.3%                   |
|  | Net Proceeds Available to Unsecured Claims                       |                         | \$ -                     |                         |                          | \$ -                    |                         |
| 18   | Unsecured Claims   | 22,187                  | -                        | 0.0%                    | 21,687                   | -                       | 0.0%                    |

<sup>2</sup> The Delta Debtors are the following entities: ASA Holdings, Inc.; Crown Rooms, Inc.; DAL Aircraft Trading, Inc.; DAL Global Services, LLC; DAL Moscow, Inc.; Delta Air Lines, Inc.; Delta Benefits Management, Inc.; Delta Corporate Identity, Inc.; Delta Loyalty Management Services, LLC; Delta Technology, LLC; Delta Ventures III, LLC; Epsilon Trading, LLC; Kappa Capital Management, Inc.; and Song, LLC.

**Consolidated Hypothetical Liquidation Analysis**  
**for**  
**Comair Debtors<sup>3</sup>**  
**(unaudited)**  
**(\$mm)**

This Liquidation Analysis should be read in conjunction with the accompanying Notes.  
Based on Debtors' September 30, 2006 Unaudited Balance Sheet Data

| Notes                                      | DIP Repayment  |                         |                          |                         |                          |                         |                         |
|--|--|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
|  | Consolidated Cash and ST Investments                             | \$ 2,808                |                          |                         |                          |                         |                         |
| 1  | Less: DIP Repayment  | <u>(2,015)</u>          |                          |                         |                          |                         |                         |
|  | Remaining Consolidated Cash and ST Investments                   | \$ 793                  |                          |                         |                          |                         |                         |
|  | Percentage Allocated to Comair Consolidated                      | 6.1%                    |                          |                         |                          |                         |                         |
| <b>Assets</b>                              |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
|  |  | Book Value              | Estimated Recovery Value | Estimated Recovery Rate | Estimated Recovery Value | Estimated Recovery Rate |                         |
| 2  | Cash and ST Investments  | 49                      | 49                       | 100.0%                  | 49                       | 100.0%                  |                         |
| 3  | Restricted Cash  | 9                       | -                        | 0.0%                    | -                        | 0.0%                    |                         |
| 4  | Third-Party Accounts Receivable                                  | 26                      | 11                       | 40.0%                   | 16                       | 60.0%                   |                         |
| 5  | I/C Pre-Petition Receivables                                     | 549                     | -                        | 0.0%                    | -                        | 0.0%                    |                         |
| 6  | I/C Post-Petition Receivables                                    | 202                     | 178                      | 87.9%                   | 196                      | 97.0%                   |                         |
| 7  | Fuel Inventory   | 4                       | 4                        | 95.0%                   | 4                        | 98.0%                   |                         |
| 8  | Other Current Assets   | 151                     | 10                       | 6.3%                    | 14                       | 9.5%                    |                         |
| 9  | Flight Equipment   | 1,183                   | 652                      | 55.1%                   | 720                      | 60.9%                   |                         |
| 10   | Other Property and Equipment                                     | 67                      | 19                       | 27.7%                   | 25                       | 36.4%                   |                         |
| 11   | Intangible Assets  | 9                       | -                        | 0.0%                    | -                        | 0.0%                    |                         |
| 12   | Other Assets   | 3                       | -                        | 0.0%                    | -                        | 0.0%                    |                         |
|  | Total Assets / Proceeds  | <u>\$ 2,252</u>         | <u>\$ 920</u>            | <u>40.9%</u>            | <u>\$ 1,024</u>          | <u>45.5%</u>            |                         |
| <b>Liquidation Costs</b>                   |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
| 13   | Trustee Fees   |                         | (19)                     |                         |                          | (21)                    |                         |
| 14   | Trustee's Counsel and Related                                    |                         | (12)                     |                         |                          | (18)                    |                         |
| 15   | Wind-Down and Professional Fees                                  |                         | (17)                     |                         |                          | (29)                    |                         |
|  | Total Liquidation Costs  |                         | <u>\$ (49)</u>           |                         |                          | <u>\$ (68)</u>          |                         |
| <b>Net Proceeds Available to Creditors</b> |  |                         | <u>\$ 872</u>            |                         |                          | <u>\$ 955</u>           |                         |
| <b>Estimated Recovery to Creditors</b>     |  |                         |                          |                         |                          |                         |                         |
|  |  | <b>Low</b>              |                          |                         | <b>High</b>              |                         |                         |
|  |  | Estimated Allowed Claim | Estimated Amount Paid    | Estimated Recovery Rate | Estimated Allowed Claim  | Estimated Amount Paid   | Estimated Recovery Rate |
|  | Net Proceeds Available for Secured Creditors                     |                         | \$ 872                   |                         |                          | \$ 955                  |                         |
| 16   | Secured Claims   | 486                     | (486)                    | 100.0%                  | 486                      | (486)                   | 100.0%                  |
|  | Net Proceeds Available for Administrative and Priority Creditors |                         | \$ 386                   |                         |                          | \$ 469                  |                         |
| 17   | Total Administrative and Priority Claims                         | 233                     | (233)                    | 100.0%                  | 181                      | (181)                   | 100.0%                  |
|  | Net Proceeds Available to Unsecured Claims                       |                         | \$ 153                   |                         |                          | \$ 288                  |                         |
| 18   | Unsecured Claims   | 8,184                   | (153)                    | 1.9%                    | 8,084                    | (288)                   | 3.6%                    |

<sup>3</sup> The Comair Debtors are the following entities: Comair Holdings, LLC; Comair, Inc.; Comair Services, Inc.; Delta AirElite Business Jets, Inc.; and Delta Connection Academy, Inc.

## NOTES

### **A. Introduction and Reservations<sup>4</sup>**

In connection with the Plan and Disclosure Statement, the following hypothetical liquidation analyses (“**Liquidation Analyses**”) have been prepared by Debtors’ management with the assistance of their financial advisors: (1) for consolidated Debtors (“**Consolidated Debtors Liquidation Analysis**”), (2) for consolidated Delta Debtors (“**Delta Debtors Liquidation Analysis**”), and (3) for consolidated Comair Debtors (“**Comair Debtors Liquidation Analysis**”). These Liquidation Analyses should be read in conjunction with the Plan and the Disclosure Statement.

The Debtors, with the assistance of their financial advisors, have prepared these Liquidation Analyses for the purpose of evaluating whether the Plan meets the so-called “best interests test” under section 1129(a)(7) of the Bankruptcy Code. The Liquidation Analyses have been prepared assuming the Debtors’ current Chapter 11 Cases convert to chapter 7 proceedings under the Bankruptcy Code on April 30, 2007 (“**Liquidation Date**”) and their assets are liquidated in a traditional liquidation with the loss of going concern value attributable to these assets. A chapter 7 trustee (“**Trustee**”) would be appointed or elected to commence the liquidation of all of the Debtors’ assets. To maximize recovery, the liquidation is assumed to occur over a 12 to 18 month period (the “**Wind Down Period**”). The Liquidation Analyses are based on unaudited book values as of September 30, 2006, and these values, in total, are assumed to be representative of each Debtors’ assets and liabilities as of the Liquidation Date. Values associated with Non-Debtors are contained within such assets and liabilities. However, the Liquidation Analyses do not include recoveries resulting from any potential preference claims, fraudulent conveyance litigation, or other avoidance actions.

Estimating recoveries in any hypothetical chapter 7 liquidation case is an uncertain process due to the number of unknown variables and is necessarily speculative. Thus extensive use of estimates and assumptions has been made that, although considered reasonable by Debtors’ management and their financial advisors, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. **THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS OR A TRUSTEE’S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THE CHAPTER 11 CASES ARE CONVERTED TO CHAPTER 7, ACTUAL RESULTS MAY VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THE LIQUIDATION ANALYSES.**

The Liquidation Analyses indicate the values, which may be obtained upon disposition of assets, pursuant to a hypothetical chapter 7 liquidation, as an alternative to continued operation of the business as proposed under the Plan. Accordingly, values

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<sup>4</sup> Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Disclosure Statement to which this Appendix is attached.

discussed herein are different than amounts referred to in the Plan, which illustrates the value of the Debtors' business as a going concern.

In preparing the Liquidation Analyses, the amount of Allowed Claims have been projected based upon a review of scheduled Claims and all Proofs of Claims associated with pre-petition and post-petition obligations. Additional Claims were estimated to include certain post-petition obligations on account of which Claims have not been asserted, but which would be asserted in a hypothetical chapter 7 liquidation. These potential Claims include, without limitation, Claims for unused tickets, pension and related obligations, and lease and contract rejections including additional Administrative Claims relating to damages for breach of contracts and leases that were assumed during the Chapter 11 Cases. In the event litigation were necessary to resolve Claims asserted in a chapter 7 liquidation, the delay could be prolonged and Claims could further increase. The effects of this delay on the value of distributions under the hypothetical liquidation have not been considered. No Order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the estimated amounts set forth in the Liquidation Analyses. **THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH IN THE LIQUIDATION ANALYSES SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING, WITHOUT LIMITATION, ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY AND SIGNIFICANTLY DIFFER FROM THE AMOUNT OF CLAIMS ESTIMATED IN THE LIQUIDATION ANALYSES.**

**NOTHING CONTAINED IN THESE HYPOTHETICAL LIQUIDATION ANALYSES IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF DEBTORS.**

**EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE LIQUIDATION ANALYSES WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT THESE ANALYSES IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE DEBTORS AND REORGANIZED DEBTORS DO NOT INTEND AND DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE THE LIQUIDATION ANALYSES TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THESE LIQUIDATION ANALYSES ARE INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE LIQUIDATION ANALYSES MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE LIQUIDATION ANALYSES.**

THESE LIQUIDATION ANALYSES WERE DEVELOPED SOLELY FOR PURPOSES OF THE FORMULATION AND NEGOTIATION OF THE PLAN AND TO ENABLE THE HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE UNDER THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF SECURITIES OF, OR CLAIMS OR INTERESTS IN, THE DEBTORS OR ANY OF THEIR AFFILIATES.

## **B. Assumptions and Notes**

The Liquidation Analyses refer to certain categories of Assets, liquidation costs, and Claims. The following notes describe significant assumptions associated within each category.

1. ***DIP Repayment.*** In a liquidation scenario, the Debtors' debtor-in-possession lenders (including the DIP Lenders and Amex) (collectively, the "**DIP Lenders**") would have a senior secured and joint and several super-priority claim ("**DIP Claim**") against each of the Debtors for the outstanding balance of the debtors' post-petition debtor-in-possession financings (including the Amex Post-Petition Facility and the DIP Facility). Each Liquidation Analysis assumes that the DIP Claim will be satisfied from the relevant Debtors' Consolidated Cash and ST Investments prior to the Trustee's use of the Debtors' liquidated assets to satisfy Liquidation Costs and remaining Claims. The Remaining Cash and ST Investments after satisfaction of the DIP Claim is allocated between Delta Debtors and Comair Debtors based on the percentage of Cash and ST Investments of the Debtors' consolidated Cash and ST Investments held by each Debtor prior to the satisfaction of the DIP Claim.

### **Assets**

2. ***Cash and ST Investments.*** This represents remaining cash and short-term investments following repayment of the DIP Claim as described in the DIP Repayment note. The estimated recovery for this asset is 100% in each of the Liquidation Analyses.
3. ***Restricted Cash.*** This is primarily composed of cash collateral held by Debtors' credit card processors and cash collateral intended for workers' compensation claims. The Liquidation Analyses assume that cash collateral held by credit card processors will be used to refund a portion of customers' unused tickets. In addition, the Liquidation Analyses assume that workers' compensation deposits would be withheld to satisfy the Debtors' accrued workers' compensation liabilities and any remaining deposits would be retained by state agencies to insure potential workers' compensation claims that are not currently reflected in the Debtors' books and records. The estimated recovery for this asset is 0% in each of the Liquidation Analyses.

4. ***Third-Party Accounts Receivable.*** Third-Party Accounts Receivable represents amounts owed to the Debtors by various parties, some of which have been offset against accounts payable for the purpose of the Liquidation Analyses, which causes a slight variation in recovery rates by Debtor group. The remaining Third-Party Accounts Receivables balance is estimated to have a recovery rate of 39.0% to 58.5% in the Consolidated Debtors Liquidation Analysis, 39.0% to 58.4% in the Delta Debtors Liquidation Analysis and 40.0% to 60.0% in the Comair Debtors Liquidation Analysis.
5. ***I/C Pre-Petition Receivables.*** This represents pre-petition intercompany amounts owed to the respective Debtor entity by other Debtor entities. Because intercompany pre-petition claims are given the same treatment as Unsecured Claims, the estimated recovery rate is between 1.9% and 3.6% in the Delta Debtors Liquidation Analysis and 0% in the Comair Debtors Liquidation Analysis. The Consolidated Debtors Liquidation Analysis ignores such receivables because consolidation results in the combination of all assets and liabilities of the Debtors.
6. ***I/C Post-Petition Receivables.*** This represents post-petition intercompany amounts owed to the respective Debtor entity by other Debtor entities, as well as distributions related to Intercompany Secured Claims. The Consolidated Debtors Liquidation Analysis ignores such receivables because consolidation results in the combination of all assets and liabilities of the Debtors. The estimated recovery in the Delta Debtors Liquidation Analysis is \$64 million. The estimated recovery rate is between 87.9% and 97.0% in the Comair Debtors Liquidation Analysis.
7. ***Fuel Inventory.*** This represents the Debtors' supply of aircraft fuel held at stations as well as prepaid fuel inventory. The estimated recovery for aircraft fuel is assumed to be between 95% and 98% in each of the Liquidation Analyses.
8. ***Other Current Assets.*** Other Current Assets include items such as deferred income taxes, spare parts inventory, and various prepaid expenses. The Liquidation Analyses assume no recovery for deferred income taxes and prepaid expenses, and between 40% and 60% recovery for spare parts inventory. The aggregate recovery rate for Other Current Assets is estimated to be from 9.3% to 13.9% in the Consolidated Debtors Liquidation Analysis, 9.9% to 14.8% in the Delta Debtors Liquidation Analysis and 6.3% to 9.5% in the Comair Debtors Liquidation Analysis.
9. ***Flight Equipment.*** This includes owned aircraft, engines, and rotables, as well as aircraft under capital lease. Estimated recovery values for owned aircraft and related items are based on recently appraised "orderly liquidation values." The Liquidation Analyses assume that aircraft under capital lease would be rejected, yielding no recovery value. The aggregate recovery rate for Flight Equipment is estimated to be from 52.1% to 57.5% in the Consolidated Debtors Liquidation

Analysis, 51.7% to 57.1% in the Delta Debtors Liquidation Analysis and 55.1% to 60.9% in the Comair Debtors Liquidation Analysis.

10. **Other Property and Equipment.** This primarily consists of land, buildings, technology, miscellaneous ground and training equipment, and advance deposits on aircraft. Estimated recovery values for land and buildings are based on recently appraised “fair market values.” Estimated recovery values for ground and training equipment are based on recently appraised “orderly liquidation values.” The estimated recovery value for technology is estimated to be between 20% and 50% of current book value. The Liquidation Analyses assume that there would be no recovery of advanced deposits on aircraft. The aggregate recovery rate for Other Property and Equipment is estimated to be from 10.6% to 19.4% in the Consolidated Debtors Liquidation Analysis, 10.0% to 18.7% in the Delta Debtors Liquidation Analysis and 27.7% to 36.4% in the Comair Debtors Liquidation Analysis.
11. **Intangible Assets.** This includes international routes, domestic slots, trademarks, and the Debtors’ customer database. These analyses rely on the Debtors’ knowledge of the industry, as well as third-party appraisals, to value intangible assets. The book value of these intangible assets represents only the value of acquired assets; therefore, the estimated recovery value significantly exceeds the book value. The aggregate estimated recovery is assumed to be between 234.4% and 267.4% in the Delta Debtors Liquidation Analysis. The Comair Debtors Liquidation Analysis assumes 0% recovery. The aggregate estimated recovery is assumed to be between 227.0% and 259.1% in the Consolidated Debtors Liquidation Analysis.
12. **Other Assets.** These include certain long-term investments, miscellaneous pre-payments, and additional restricted cash. The analyses estimate 100% recovery of certain long-term investments, 0% recovery of pre-payments, and between 40% and 60% recovery of other non-operating assets. The additional restricted cash within the Other Assets category receives the same treatment as described in the Restricted Cash note. The foreign operations of the Debtors represent an immaterial portion of the Debtors’ business. Therefore, while foreign assets and liabilities are included in the Liquidation Analyses, a detailed evaluation of each foreign jurisdiction’s laws as it relates to the recovery of assets and distribution of proceeds has not been performed. No assumption is made for the interest income that could be earned on liquidation proceeds being held prior to distribution. Such amounts would not materially alter the results of the Liquidation Analyses. The estimated recovery is assumed to be between 12.6% and 15.5% in the Delta Debtors Liquidation Analysis. The Comair Debtors Liquidation Analysis assumes 0% recovery. The aggregate estimated recovery in the Consolidated Debtors Liquidation Analysis is assumed to be between 12.5% and 15.4%.

## **Liquidation Costs**

13. ***Trustee Fees.*** These include fees that would be payable to the Trustee by each Debtor in accordance with the section 326 of the Bankruptcy Code. Trustee Fees are estimated to be 2.2% of the total asset recovery value, excluding Cash and ST Investments, in all of the scenarios.
14. ***Trustee's Counsel and Related.*** This includes fees and expenses incurred by the Trustee's legal and professional counsel associated with the wind-down of the Debtors' estates. These fees are estimated to be between 1.4% and 1.8% of the total asset recovery value, excluding Cash and ST Investments, for each of the Debtors and at the consolidated level.
15. ***Wind-Down and Professional Fees.*** This includes estimated expenses that would be incurred during the Wind-Down Period, including wages and benefits for employed personnel, aircraft storage costs, general overhead costs, and professional fees for each of the Debtors.

## **Claims**

16. ***Secured Claims.*** This primarily represents Claims secured by certain Aircraft Equipment, and is comprised of both third-party and Intercompany Claims. The Allowed Claim amount is equal to the liquidation value ascribed to the underlying collateral. Any debt that is not satisfied by the value of the underlying collateral becomes an unsecured deficiency Claim and is included in the estimated amount for Unsecured Claims.
17. ***Total Administrative and Priority Claims.*** Prior to determining what proceeds would be available for general unsecured creditors under a chapter 7 proceedings, Cash and asset liquidation proceeds would be reduced in order to satisfy chapter 11 Administrative Claims, tax, and priority Claims that are senior to Unsecured Claims, including any incremental Administrative Claims that may result from the termination of the Debtors' businesses and the liquidation of their assets, including, but not limited to, Claims for unused tickets, post-petition contract rejection Claims, and post-petition lease rejection Claims. Any remaining Cash after satisfaction of these Claims would be available for distribution to general unsecured creditors in accordance with the distribution hierarchy established by section 726 of the Bankruptcy Code.
18. ***Unsecured Claims.*** This includes PBGC's Claims for termination of all of Debtors' defined benefit pension plans (including the Delta Retirement Plan relating to non-pilot employees), aircraft deficiency claims, pre-petition contract rejection damages Claims, pre-petition trade payables, Intercompany Unsecured Claims, and include estimates for incremental rejection Claims that would result from the liquidation of the Debtors' businesses. If the Debtors enter chapter 7 proceedings, the amount of Unsecured Claims would increase dramatically as the number of customers, vendors, and counterparties to contracts and leases is

significant, and each such party could file Claims for damages. Such Claims would be pari-passu with the Debtors' current Unsecured Claims, would significantly increase the Claims against the Debtors, and ultimately reduce the overall recovery to the Debtors unsecured Creditors. In addition, some Unsecured Claims, such as PBGC Claims are considered to be joint and several and therefore are applied once in the Consolidated Debtors Liquidation Analysis but are separately wholly applied to each of the Delta Debtors Liquidation Analysis and the Comair Debtors Liquidation Analysis.