

Questions and Answers Re: Confirmation and Distributions

1. I thought you were going to have a claim sale? Is it too late for that? What went wrong?

Answer: The DP3 Trustees, our attorneys, the attorneys and agents of four different investment firms, and some of Delta's attorneys and agents have been working since late last year to create a process by which retired pilots could have sold their Class 4 and Class 5 bankruptcy claims prior to the distribution of the stock. Unfortunately, we were unable to reach a claim sale arrangement which was agreeable to all the parties.

Far and away the greatest obstacle preventing such a sale was the overriding complexity of the withholding tax issue and the obligations that would accrue to the ultimate owner of the claims following the initial sale and subsequent re-sales. The withholding tax issue is unique to retired pilots and former employees since the claims represent deferred compensation to us as individuals, therefore requiring withholding by Delta under the Internal Revenue Code and Regulations.

The bottom line is that there will not be any organized claim sale for the initial distribution of our stock in early May. We continue to look at future possibilities of a claims sale relating to the final distribution of stock that will occur in several months.

2. What will be the final value of the company coming out of bankruptcy?

Answer: Delta's financial expert The Blackstone Group L.P. projected that the value of the company will be between \$9 and \$12 billion. Other financial experts may have different opinions on the value. The market will determine the value as the stock begins trading this week. The *Wall Street Journal* on May 1, 2007 discussed the market pressures that may impact the value.

3. How many total shares of stock are going to be distributed to all parties? I heard it was 400 million?

Answer: 400 million is the total number of shares of New Delta Common Stock to be distributed. The Plan of Reorganization provided that the 400 million of shares would be allocated between three groups -- Delta creditors, Comair creditors and the current employees in the approved employee compensation program.

4. According to Delta's press release, 358,786,580 total shares will come to the Delta Class 4 and Class 5 claim holders and 135,000,000 shares are being withheld for disputed claims. Why are so many shares being withheld?

Answer: In order to resolve the potential objections of a number of creditors, Delta agreed that it would reserve shares based on the face value of the disputed claims. The plan had originally provided that Delta would reserve shares based on Delta's estimate of what amounts would be ultimately allowed. Creditors were concerned that if Delta's estimates proved wrong there would not be enough shares available for them at the end of the claims allowance process.

At confirmation, approximately 37% of the face value of filed claims was still in dispute. Delta has reserved a corresponding percentage of the shares.

5. What is the expected outcome of the disputed claims? Are they likely to be allowed, or is that impossible to even speculate on right now? How will that affect the ultimate value of our claims?

Answer: Delta expects that the disputed claims will be substantially reduced, but it also expects strong opposition from the holders of those claims. In addition to the aircraft lessors, a number of those parties are retired pilots who believe that their claims were undervalued. If Delta's projections are correct, a second distribution will be made. This distribution could represent as much as a third of the total number of shares you may eventually receive. However, there is no guaranty of any additional distribution of shares, and no guaranty what value of those shares may have when and if they are distributed.

6. What date will be used to determine how many shares of stock each retiree will receive? Specifically, are the values, number of shares, and prices set as of the first day, or are they based on the actual selling price of the stock when we get our shares?

Answer: The date used to determine the number of shares each retiree will receive is the Distribution Record Date which was April 25, 2007, the Confirmation Date. This date is also the Date of Confirmation. The total of the face amount of all claims allowed and disputed, was calculated on that date to determine the percentage of the total debt that your claim represented. That percentage was applied to the number of shares to be distributed and resulted in your allocation of shares for the Initial Distribution. After all of the claims are resolved, Delta will recalculate the percentage that your claim represents of the total allowed unsecured claims and will make an additional distribution of stock if you are due more shares. This second and last distribution is referred to as the Final Distribution.

If you hold a disputed claim, your percentage will be calculated in connection with timing of the Interim Distribution following the allowance of your claim. Your claim must be allowed 20 days prior to the scheduled date for an Interim Distribution to be included in that distribution. Interim Distributions occur every six months. Like holders of allowed claims, you will also be entitled to recalculation of your percentage of the stock at the time of the Final Distribution.

7. I filed an objection to the medical claims settlement based on my belief that I should have been in the hardship instead of the opt out class. If this objection is going to delay my distribution of stock for my medical distribution claim. Will it delay distribution on my non qualified claim?

Answer: The two claims should be treated separately. Distribution will be delayed only for the disputed claims. If you filed a proof of claim in order to object to the amount that Delta scheduled for your claim, you have a disputed claim. That dispute must be resolved by your withdrawing your proof of claim, Delta agreeing to the higher amount, or the Bankruptcy Court allowing your claim.

What About Withholding Taxes....

8. I understand that the price of the stock at the close of business on the first day of trading will determine the amount of taxes that must be paid. Is this correct? Or will they use the average of the selling prices over the first 30 days? I've seen both methods mentioned.

Answer: If you elect to pay your withholding deposit directly to Delta, the Notice Regarding Election to Pay Withholding Taxes provides that the value of your stock will be the trading value of the stock at the close of the first day of trading.

If Delta is selling a portion of your stock to pay your withholding deposit, the Confirmation Order no longer ties the amount of withholding to the value of the stock at a particular time prior to its distribution to you. The Confirmation Order provides that the amount of the withholding deposit will be based on a *percentage of the number of your shares* based on the withholding schedule agreed to between Delta and the Internal Revenue Service. By withholding a percentage of the number of shares rather than a percentage of the value, there is no problem with determining a specific date for the valuation.

The rates for the withholding deposits will be as follows: (a) if the face amount of your claim exceeds \$100,000, Delta will withhold 25% of your shares; (b) if the face amount of your claim is between \$2,000 and \$100,000, Delta will withhold 15%; and (c) if the face amount of your claim is less than \$2,000, Delta will withhold 10%.

9. Is the amount of distribution being withheld going to be calculated on the entire amount of stock that will eventually be distributed or just the amount that will be awarded during the initial distribution? If taxes are only going to be withheld on the initial distributions, how will the taxes be withheld and paid on additional distributions?

Answer: The amounts withheld will be calculated on only the amount of stock being distributed at the Initial Distribution. If there is a second distribution, a second withholding deposit will be made at that time using the same methodology.

10. What does the confirmation order say about FICA taxes?

Answer: The confirmation order does not specifically address FICA taxes. It provides in general that Delta will comply with the requirements of all taxing authorities for federal, state or local taxes. According to Delta's counsel, FICA taxes will be withheld from the medical benefits claims. For pilots who retired prior to 9/1/05 there will be no FICA withheld on the Non-qualified pension termination claims. Pilots who retired after 9/1/05 will have FICA withheld from their pension termination claims since none was withheld at the time of retirement.

11. Can we get a refund of FICA paid on the retirement imputed income since more was withheld than we got in this claim? Can we get a partial refund?

Answer: DP3 recommends that you consult with you tax advisor on this issue to determine whether seeking a refund is in your best interest.

12. The Confirmation Order provides that federal income taxes will be withheld based on a percentage which is determined by the face value of the claim. For example if my claim is more than \$100,000 Delta will withhold 25% of my stock to sell in order to make the deposit. Is there a similar formula that will be used for state or local taxes?

Answer: There is no similar arrangement that has been made with state and local taxing authorities. According to Delta's counsel, state tax withholding will be based on the applicable state's supplemental wage withholding rate if there is one. Otherwise, the maximum state wage withholding rate will be used.

13. I opted to pay the withholding tax and sent in my form, but I have changed my mind. Can I withdraw the request? Or can I simply ignore the requested payment and revert to the regular stock distribution process?

Answer: The Tax Election Notice does not provide any provision for changing your decision to pay the taxes directly. It does, however, provide that if you do not pay the taxes by the required date after receiving the notice, Delta will sell your stock to pay the taxes. If you do decide that you do not want to pay the tax, Delta has requested that you send a letter informing Delta that you no longer want to pay the taxes to BSI, Grand Central Station, P.O. Box 4601, New York, New York 10163-4601. This will allow Delta to make plans on the amount of stock which needs to be sold and prevent the need to add additional shares at the last minute to obtain sufficient sums to make the additional deposits.

Regarding selling our stock...

14. What is the first day I can sell my stock?

Answer: You may sell your shares of stock as soon as they are distributed to your Fidelity account. If you have an allowed claim, your stock should be available by the end of May.

15. What will be the price of the stock when it begins trading, and when will that be?

Answer: The price will be set by the market so there is no way to guaranty what the price will be. The stock is scheduled to begin trading on the New York Stock Exchange under the symbol DAL on May 3, 2007. DP3 will not make any prediction on the future value of the stock. We advise you to discuss this matter with your broker or financial advisor. The price of "when issued" trading has hovered around \$20 a share.

16. Delta's news release says "Trading on the NYSE is expected to commence April 26, 2007, on a 'when issued' basis (DAL.WI), and 'regular way' trading is anticipated to begin on May 3, 2007." What does "when issued" trading mean?

Answer: A market for the Delta stock has already begun. There are buyers and sellers in the market who are seeking to purchase stock when it is issued on May 3, 2007. These transactions are similar to options. If stock is purchased "when issued," the buyer has the right to purchase

that share of stock for that price, and the seller is obligated to sell it at that price on May 3, 2007. You may view the current price for the “when issued” stock under the stock symbol DAL.WI. We noted that prices for the “when issued” stock were being reported for DAL.WI on www.marketwatch.com on April 30, 2007.

17. It seems like the retirees are being singled out for the later distribution dates. Why do I have to wait 30 days to get my shares? Won't I miss the opportunity to sell in a declining market, which will cause me to lose money?

Answer: Retirees are receiving different treatment with respect to the timing of their distribution due to the requirement that Delta pay withholding tax deposits. The retirees represent over a billion dollars in claims. The withholding tax deposits represent hundreds of millions of dollars. Delta has to make those deposits in cash. That cash would have to come from the retirees or be taken from their distribution. This need to generate such a large amount of stock creates a dilemma whether to sell the stock all at one time and risk depressing the stock price or selling the stock more slowly and risking price fluctuating in a declining market.

This delay does result in retired pilots and any other former employees not having the opportunity to sell their stock in the first 30 days. The delay does involve some risk that you will receive less value for your distribution should the market decline; however, it may also be a benefit if the stock price increases.

18. Can I transfer my shares to another broker, with or without a fee, in order to enjoy a lower cost commission arrangement?

Answer: You may transfer your stock to another brokerage account at no cost. If you find that Fidelity has set up two accounts for you due to the fact that you have two claims, you may consolidate those accounts at no cost.

19. I received two corporate account applications from Fidelity. I realize they are sending corrected ones to establish individual accounts. Apparently we are getting one application for each of our claims. Do I need two Fidelity accounts or can they be combined?

Answer: We are not aware of any reason for you to maintain two accounts if you do not want two accounts. There is no charge for combining the accounts or combining the new accounts with your existing account. Delta originally considered putting stock into retirees' existing accounts but determined this system would be the most cost efficient for Delta and the most likely to insure timely and accurate distributions to retired pilots.

20. When will I actually get my shares so I can sell or transfer them?

Answer: According to the most recent letter sent by Robert Kight, Delta is projecting that the initial distribution of stock will be available by May 30, 2007 for allowed claims. In order to prevent there from being any delays, you should make sure that you receive a package in mid-May from Fidelity Investment providing you with information on how to access your account.

The interim distribution will be six months later and the final distribution will not occur until all claims have been resolved.

If your claim has not been allowed, your stock will not be distributed until your claim has been allowed. After it is allowed, the stock will be available to you at the time of the next Interim Distribution. The next Interim Distribution will be six months after the Initial Distribution.

21. What is the interest payment deal mentioned in your BLOG post (from page 56) about the withholding issue?

Answer: The interest payment referenced in the April 25 BLOG posting about the confirmation order relates to a payment of interest to the IRS. Delta is required to put the sale proceeds in an interest bearing account until sending the proceeds for the withholding deposit to the IRS. The interest that is earned on those proceeds will be sent to the IRS. There is not an additional deduction from your distribution to make any interest payment.

22. What will be the “cents on the dollar” we are receiving for our claims?

Answer: The actual "cents on the dollar" recovery for your claim will depend on the value of the stock on the date of the distribution and the ultimate number of shares you will receive. Delta estimates that Delta's unsecured creditors will initially receive 225 shares per each \$10,000 of debt. If the stock trades at \$20 per share, the value of the distribution on the \$10,000 claim will be \$4,500 or 45%. If the stock trades at \$30 per share, the value increases to \$6750 or 67.5%. DP3 has posted a tool on the web page to help you *estimate* the value of your claims using your own analysis of the variables involved.

23. Do you think the stock will be worth more or less a month from now?

Answer: DP3 cannot make any prediction of the future value of the stock. We advise you to discuss this matter with your broker or financial advisor.

24. Why does this seem to be so complicated?

Answer: The issues involved in your claims involve an overlap of bankruptcy, ERISA, and tax law – all complicated areas of the law. The sheer magnitude of the Delta case, the size of the retirees' claims and the number of retirees involved further complicates the process and the risk of mistakes.

Other miscellaneous questions...

25. When will the Admin Claims be paid (the cash portion of the pre-termination non-qual settlement)?

Answer: Those checks will be going out the same time as the stock, due to the same withholding calculation requirements.

26. What is my actual claim amount after the legal fee awards are deducted from my pre-termination admin and balance claim amounts?

Answer: When the amended schedules that reflect the reductions for the legal fee award are available, we will post them here. You will not receive a separate notice from Delta.

27. Can you review the legal fee awards again?

Answer: The Administrative Claims were to be reduced by 10% and the unsecured claims should show a reduction of slightly less than one percent. The order authorized a reduction of 8% on the Balance Claim, which represents only a portion of the total unsecured NQ pension claims. The Balance Claim was the portion of the NQ Pension Claim that accrued between September 2005 and September 2006 when the plan was terminated. Delta combined the Balance Claim with the NQ Post Termination Claim because both were unsecured claims. When the 8% is deducted from the Balance Claim and the reduced amount is added to the NQ Post Termination Claim the reduction in the total unsecured claim is slightly less than one percent of the total NQ unsecured claim.