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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
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: **Chapter 11 Case No.**
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DELTA AIR LINES, INC., et al., : **05-17923 (ASH)**
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:
Debtors.¹ : **(Jointly Administered)**
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**NOTICE OF SUPPLEMENTAL PROCEDURES REGARDING TAX
WITHHOLDING OBLIGATIONS RELEVANT TO RETIREES
AND FORMER EMPLOYEES OF THE DEBTORS**

This Notice is applicable only to persons who have an Allowed Claim² in (i) Delta Class 4, (ii) Comair Class 4 and/or (iii) Delta Class 5 who are *retirees or former employees of a Debtor*.³ Such persons, together with any beneficiaries thereof, are referred to herein as “Applicable Holders.”⁴

¹ The 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.

² Each capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Plan (as defined below).

³The procedures described herein do not apply to holders of Allowed Claims in Delta Class 5 who request, pursuant to Section 4.2(e) of the Plan, that their shares of New Delta Common Stock be sold on

PLEASE TAKE NOTICE that on February 7, 2007, the Bankruptcy Court for the Southern District of New York approved the Disclosure Statement for the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "**Disclosure Statement**") and the Plan of Reorganization attached thereto, as the same may be amended, modified or supplemented, the "**Plan**"), along with certain procedures related to the solicitation of acceptances of the Plan.

PLEASE TAKE FURTHER NOTICE that, as discussed in the Disclosure Statement and the Plan, distributions to Applicable Holders must be made in compliance with all withholding and reporting requirements imposed by federal, state, local and foreign taxing authorities.⁵ As a result, *unless an Applicable Holder makes the election provided below*, the Reorganized Debtors will, in order to satisfy tax withholding requirements imposed by law, make arrangements for the sale on behalf of such Applicable Holder of a portion of the New Delta Common Stock allocable to such Applicable Holder's Claim, using the cash proceeds of such sale to fund the tax

their behalf; *however*, if an Allowed Delta Class 5 holder requested on his or her Ballot that their stock be sold on their behalf, such holder may override such request by properly submitting an Election Form (as defined below). In such a case, the holder's Election Form will override the holder's request that his or her shares be sold, and the request on the Ballot will be disregarded and will be of no effect. If such a holder then successfully completes the Election Procedures (as defined below), he or she will receive shares without reduction for withholding, as set forth herein. However, if such a holder subsequently fails to properly complete the Election Procedures, such holder would then receive his or her distribution in shares (net of withholding amounts), pursuant to the Stock Sale Process (as defined below). In other words, such holder's previous request to receive cash proceeds from the sale of his or her distribution would still be disregarded, and the holder would receive shares net of withholding amounts.

⁴ This Notice and the procedures discussed herein do not apply to (i) any other Claim that an Applicable Holder might have that is not a Class 4 Claim or Delta Class 5 Claim and (ii) any party that is not an Applicable Holder. Therefore, if (a) an Applicable Holder completes and returns an Election Form, as described below, with respect to a non-covered Claim or (b) a party who is not an Applicable Holder completes and returns an Election Form, the Election Form will be disregarded and will be of no effect.

⁵ Because the Debtors are still determining aspects of the timing and mechanics of the distributions to be made under the Plan, the statements in this Notice, while accurate to the best of the Debtors' knowledge at this time, are subject to change.

withholding requirements and delivering to such Applicable Holder only a net number of shares of New Delta Common Stock. This method of satisfying withholding requirements is referred to herein as the “**Stock Sale Process.**”

PLEASE TAKE FURTHER NOTICE that the Debtors have decided to permit Applicable Holders to opt out of the Stock Sale Process by electing to pay by cashier’s check, certified check or money order the tax withholding amount related to their Class 4 or Delta Class 5 distribution, in which case all of the New Delta Common Stock allocable to such Applicable Holder’s Claim would be issued to such Applicable Holder.⁶

PLEASE TAKE FURTHER NOTICE that, upon successful completion of the election procedures set forth below (the “**Election Procedures**”), an Applicable Holder with an Allowed Claim will become an “**Electing Holder.**” Following (and subject to) the occurrence of the Effective Date, the Reorganized Debtors will calculate the cash amount of applicable tax withholding for each Electing Holder’s applicable Claim recovery. They will do so by valuing the New Delta Common Stock such Electing Holder is entitled to receive on account of each applicable Claim, using the closing price of the New Delta Common Stock on the first day of public trading following the Effective Date.⁷ As soon as practicable after such calculation is made, the Reorganized

⁶ Because of the notices and paperwork involved in the Election Procedures, the Debtors cannot guarantee that Electing Holders (as defined below) will receive any distributions under the Plan to which they may be entitled any sooner than if they had not opted out of the Stock Sale Process.

⁷ The Debtors have not yet finalized the federal tax withholding rates that they will apply to distributions to Applicable Holders (including those that become Electing Holders); *however*, the Debtors have consulted with the Internal Revenue Service regarding using the following federal tax withholding flat-rates for Applicable Holders, which rates vary based on Claim size, and are not individually determined: (i) for Claims less than \$2,000, a withholding rate of 10% would apply, (ii) for Claims greater than \$2,000 but less than \$100,000, a withholding rate of 15% would apply and (iii) for Claims greater than \$100,000, a withholding rate of 25% would apply. (Additional amounts will be withheld if the value of all distributions to you exceeds \$1 million). Additional state, local and FICA taxes will be withheld, as applicable. If it is ultimately decided that different federal tax withholding rates will be applied to Applicable Holders’ distributions, the Debtors will notify Applicable Holders by filing a notice on the

Debtors will contact the Electing Holder to inform such holder of the required tax withholding amount. If a cashier's check, certified check or money order for the Electing Holder's withholding amount is received within the time provided, the Electing Holder's Class 4 or Delta Class 5 distribution of New Delta Common Stock will be made as provided for under the Plan, without any shares having been sold on behalf of such Electing Holders for tax withholding purposes.⁸ In the meantime, the shares of New Delta Common Stock will be held for the Electing Holder's benefit.

Election Procedures

In order to become an Electing Holder, an Applicable Holder must:

1. Truthfully and accurately complete and execute an Election Form (attached hereto as Exhibit A)⁹ by
 - reviewing all statements on the Election Form to confirm that they are accurate and applicable to the person completing the Election Form and to confirm that the person completing the Election Form agrees with and to each statement;
 - filling out the "Holder Information" portion of the Election Form and providing a facsimile number and/or email address (if you have one), in addition to a mailing address, at which the Reorganized Debtors can contact the Applicable Holder to inform such holder of the relevant withholding amount, and a telephone number; and
 - signing the Election Form.
2. Mail the completed and executed Election Form to BSI at (i) if sent by overnight mail, 757 Third Avenue, New York, New York 10017, or (ii) if sent by any method other than overnight mail, Grand Central Station, P.O. Box 4601, New York, New York 10163-4601, in either case so that it is **actually received by April 27, 2007**.

Bankruptcy Court docket and posting the same to the Debtors' case information website, www.deltadocket.com.

⁸ An Electing Holder's treatment pursuant to this Notice will be applicable both to such holder's initial distribution and to any final distribution made under the Plan.

⁹ Applicable Holders may request a paper copy of the Election Form by contacting Bankruptcy Services LLC ("BSI") at 1-866-271-8942.

3. After being informed of the withholding amount, mail¹⁰ a cashier's check, certified check or money order¹¹ payable to Delta Air Lines, Inc. in such amount to BSI at (i) if sent by overnight mail, 757 Third Avenue, New York, New York 10017, or (ii) if sent by any method other than overnight mail, Grand Central Station, P.O. Box 4601, New York, New York 10163-4601, in either case so that it is **actually received no later than 14 calendar days after Delta sends the Applicable Holder notice of the relevant withholding amount.**

If a cashier's check, certified check or money order in the correct amount is not actually received by BSI no later than 14 calendar days after Delta sends the Applicable Holder notice of the relevant withholding amount, such holder will not be deemed an Electing Holder and any Class 4 or Delta Class 5 distribution due to such holder shall be subject to the Stock Sale Process.¹²

Dated: New York, New York
April 11, 2007

By: /s/ Marshall S. Huebner
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¹⁰ Overnight or priority delivery is recommended.

¹¹ The Debtors are unable to accept any other form of payment in connection with the Election Procedures.

¹² The Electing Holder has the burden of properly completing the Election Procedures; such completion is at the option and risk of the Electing Holder. If there is any error, inaccuracy or omission regarding the Election Procedures, including, but not limited to, sending a tax withholding payment in an incorrect amount, sending an invalid or otherwise non-negotiable check or money order, delivery of an Election Form or tax withholding payment to an address other than the applicable BSI address provided herein or providing incorrect or unusable contact information, such Electing Holder will be subject to the Stock Sale Process, without any effort on the part of the Reorganized Debtors to rectify any errors, inaccuracies or omissions of the Electing Holder or any third party.

EXHIBIT A

Tax Withholding Election Form for Retirees and Former Employees of the Debtors¹

- I am a retiree or former employee of the Debtors² (or a beneficiary thereof) with an Allowed Claim in (i) Delta Class 4, (ii) Comair Class 4 and/or (iii) Delta Class 5. I understand that if my Claim is in Delta Class 5 and I (a) have requested or in the future request on a Ballot that my shares be sold on my behalf but (b) submit this Election Form, such action will irrevocably and forever override my request on my Ballot that my shares be sold on my behalf.
- I elect to receive the shares of New Delta Common Stock that I am entitled to receive in respect of my Allowed Claim without reduction for withholding and hereby agree to pay to Delta by cashier's check, certified check or money order the withholding amount, as determined by Delta, related to my Class 4 and/or Delta Class 5 distribution.
- I understand that this election applies to any initial distribution to which I may be entitled and any subsequent, final distribution made under the Plan.
- I understand that, upon the occurrence of the Effective Date, the Reorganized Debtors will calculate the applicable withholding amount related to my Class 4 and/or Delta Class 5 distribution based on the closing price of the New Delta Common Stock on the first day of public trading after the Effective Date and will contact me to inform me of my withholding amount. I understand that if a cashier's check, certified check or money order in the correct amount is not actually received by BSI at (i) if sent by overnight mail, 757 Third Avenue, New York, New York 10017, or (ii) if sent by any method other than overnight mail, Grand Central Station, P.O. Box 4601, New York, New York 10163-4601, in either case no later than **14 calendar days** after Delta sends me notice of my withholding amount, or if there is any deficiency related to my completion of the Election Procedures, as discussed in the Notice, I will not be deemed an Electing Holder and any Class 4 or Delta Class 5 distribution to which I am entitled will be subject to the Stock Sale Process.

Holder Information

Name _____

Social Security Number _____

Employee Number _____

Address _____

City, State, Zip Code _____

Facsimile Number (if applicable) _____

Email Address (if applicable) _____

Telephone number _____

The information on this Election Form is true and correct as of the date written below. I request the treatment and agree to the terms and conditions set forth herein and in the Supplemental Procedures Notice.

Signature

Date

¹ Applicable Holders may request a paper copy of the Election Form by contacting BSI at 1-866-271-8942.

² Each capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Debtors' Notice of Supplemental Procedures Regarding Tax Withholding Obligations Relevant to Retirees and Former Employees of the Debtors, dated as of April 11, 2007 (the "**Supplemental Procedures Notice**").