

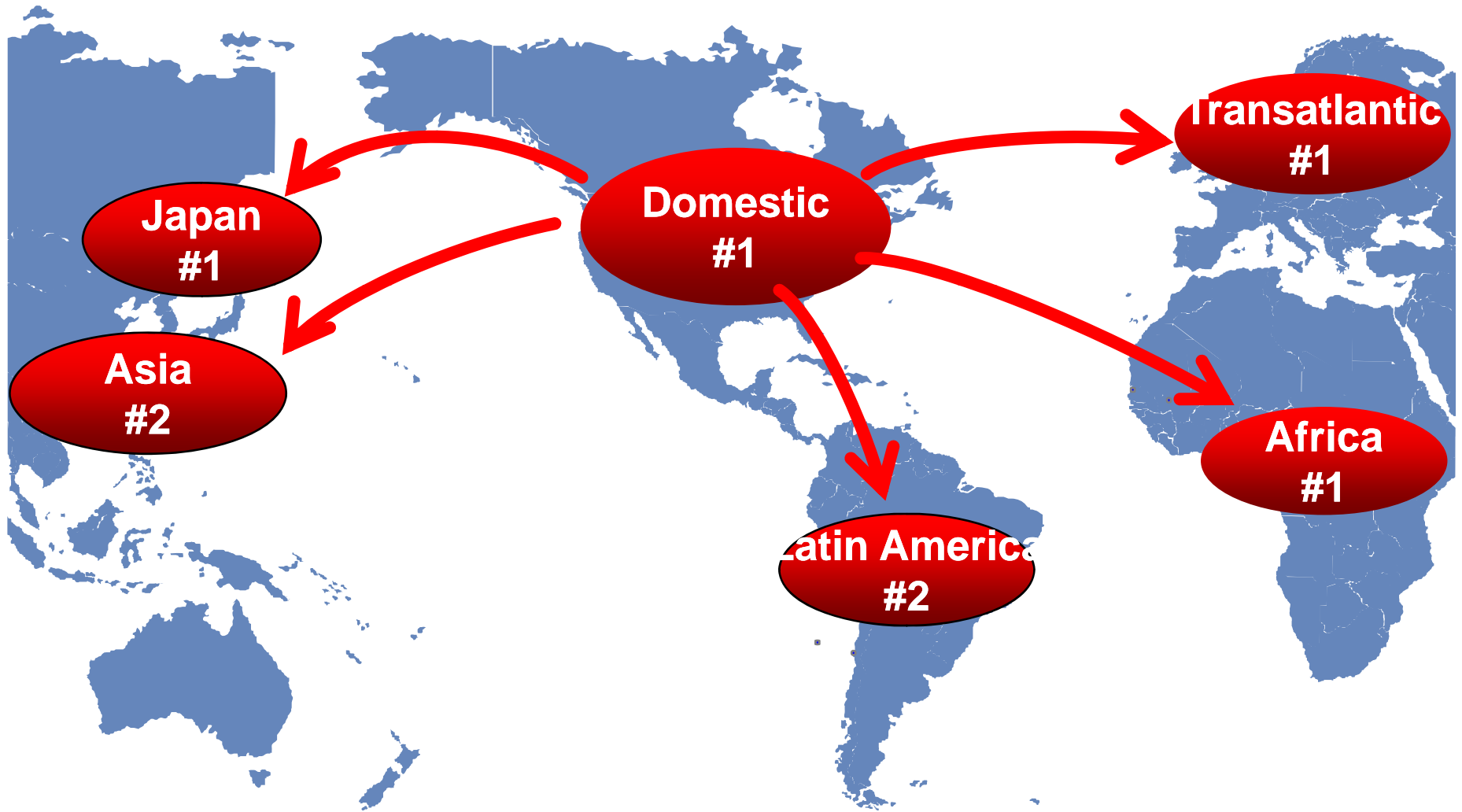
“Gateway Airport Investment”  
International Transport Forum  
Leipzig, Germany

David Hamm  
Director – Corporate Real Estate  
Delta Air Lines  
May 26, 2009

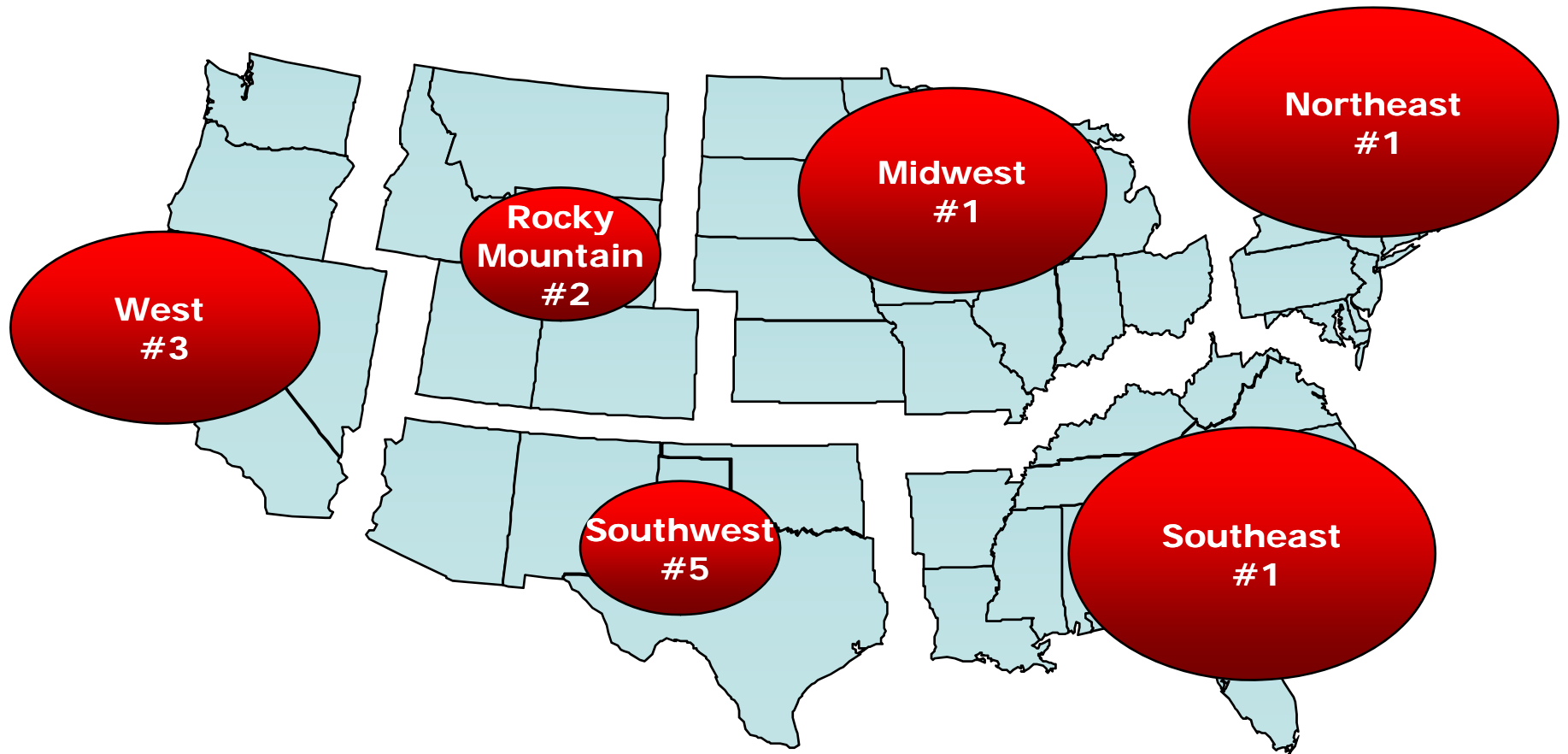
# Agenda

- Overview of DL/NW merger
- What has changed in our industry
- Potential solutions and recommendations to deal with these changes
- Continued dialogue

# DL/NW America's Premier Global Airline



# Domestic Strength and International Success



# Most Flexible Fleet = Winning Formula



**777-200/LR**

**747-400**



**767-400**

**A333**



**767-300**

**A332**



**757-200**

**757-200/300**



**737-800**

**A320/319**

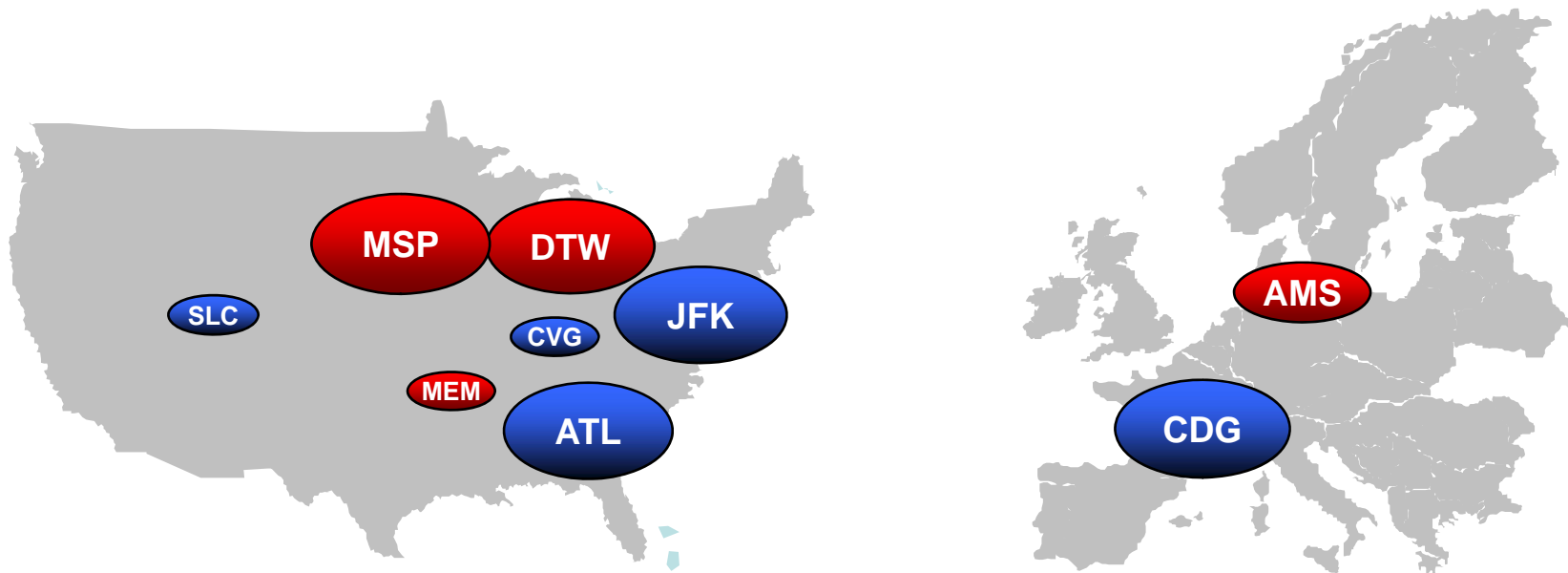


**MD-88**

**DC-9**



# 4-Way Joint Venture solidifies #1 Transatlantic position



- *\$12B revenue base*
- *\$200M annually to DL*
- *24% Transatlantic Share*

# Positioning Delta for continued success

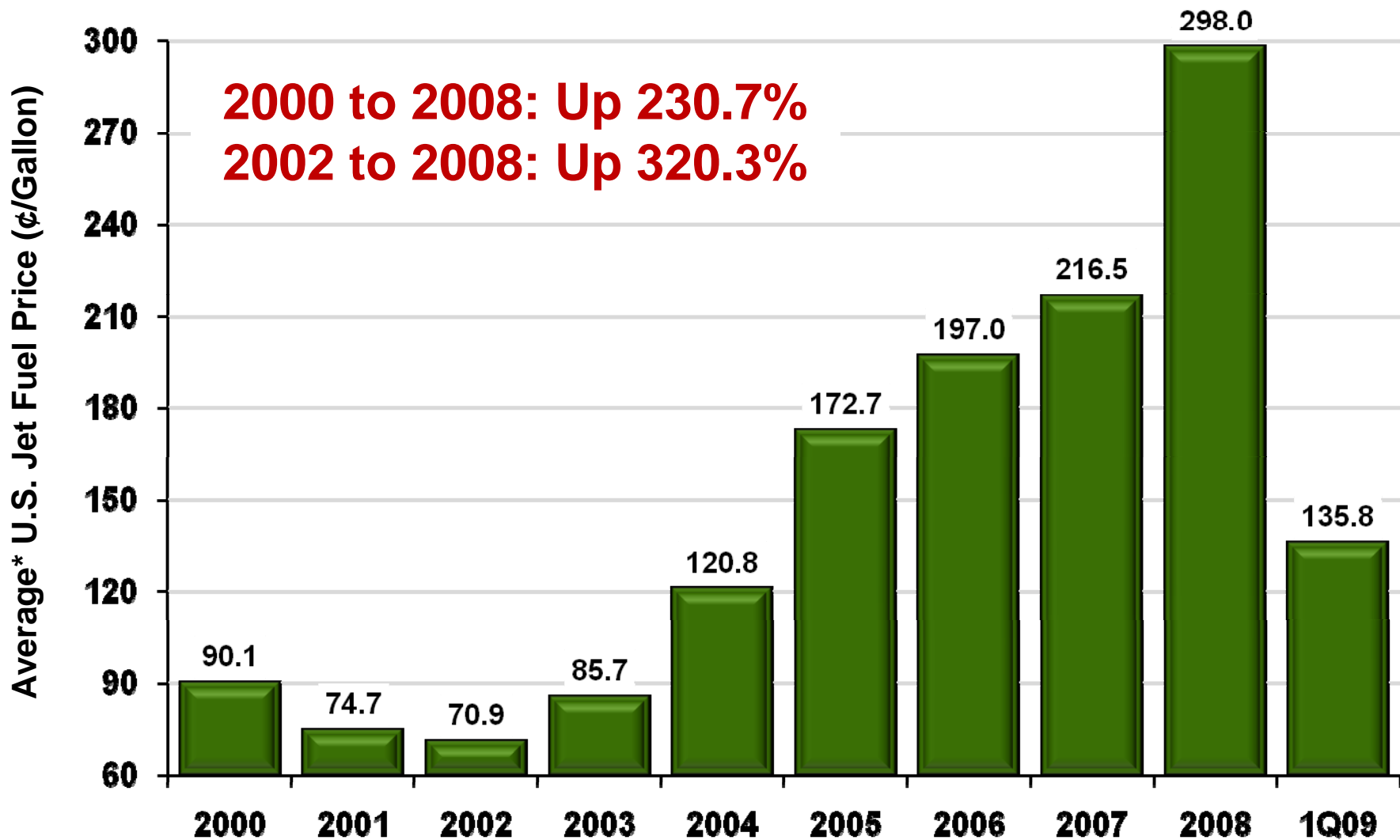
- Delta will operate in 400 airports worldwide
- Delta rebranding completed in 62 of 76 Northwest only operated airports
- Airport consolidations in 173 Delta/Northwest locations currently underway – 108 completed to date
- Rebranding of 150 Delta only airports with Air France and KLM signage will occur later this year
- Roughly 160 airport gates and associated space will be released during the consolidation process

# What has changed in our industry?

- Volatile fuel costs – although lower this year, still at historically high levels
- Shifting dynamics of airline model – repositioning to build on core strengths
- Worldwide recession and economic challenges unparalleled during our lifetime
- Industry seeing passenger declines in major airports for first time
- Consolidation – more to come?

# From 2002 to 2008, Price of Jet Fuel Rose Relentlessly

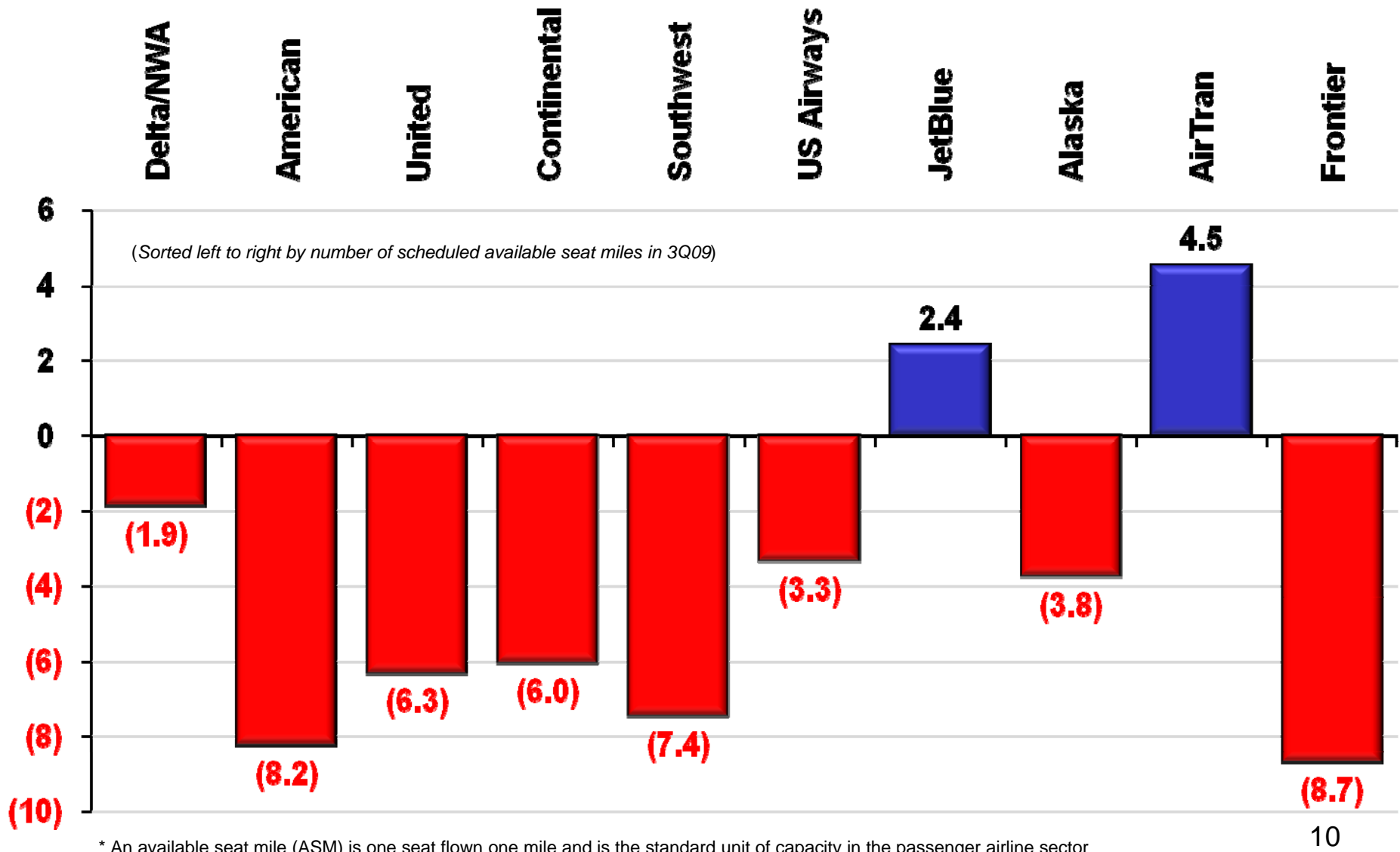
Average U.S. Spot Price Surged 320% During That Six-Year Period



\* Simple average of spot prices in New York Harbor, U.S. Gulf Coast and Los Angeles  
Source: U.S. Energy Information Administration

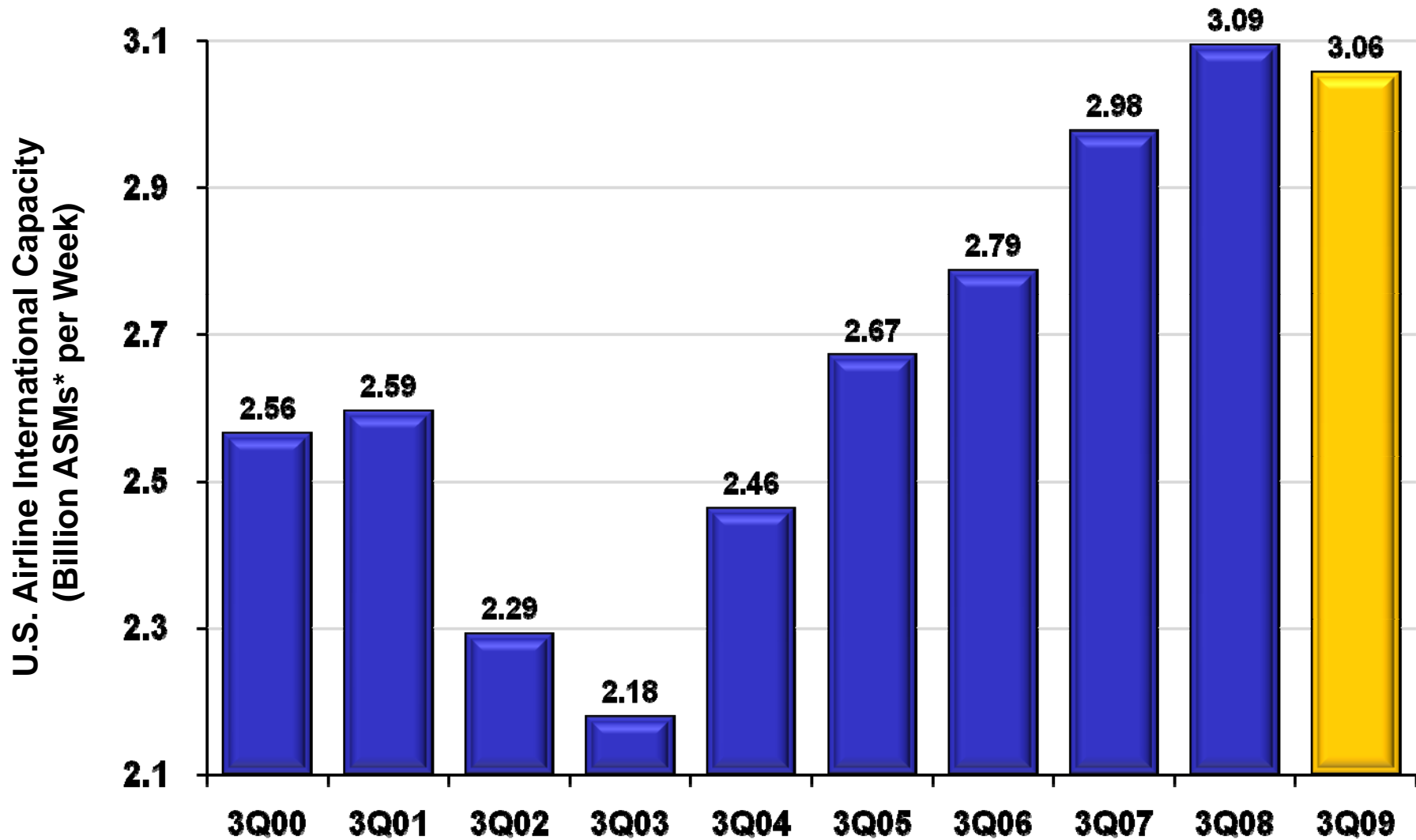
# Largest U.S. Carriers Cutting Capacity *Again* in 3Q09

YOY Change (%) in Scheduled SYSTEMWIDE ASMs\*



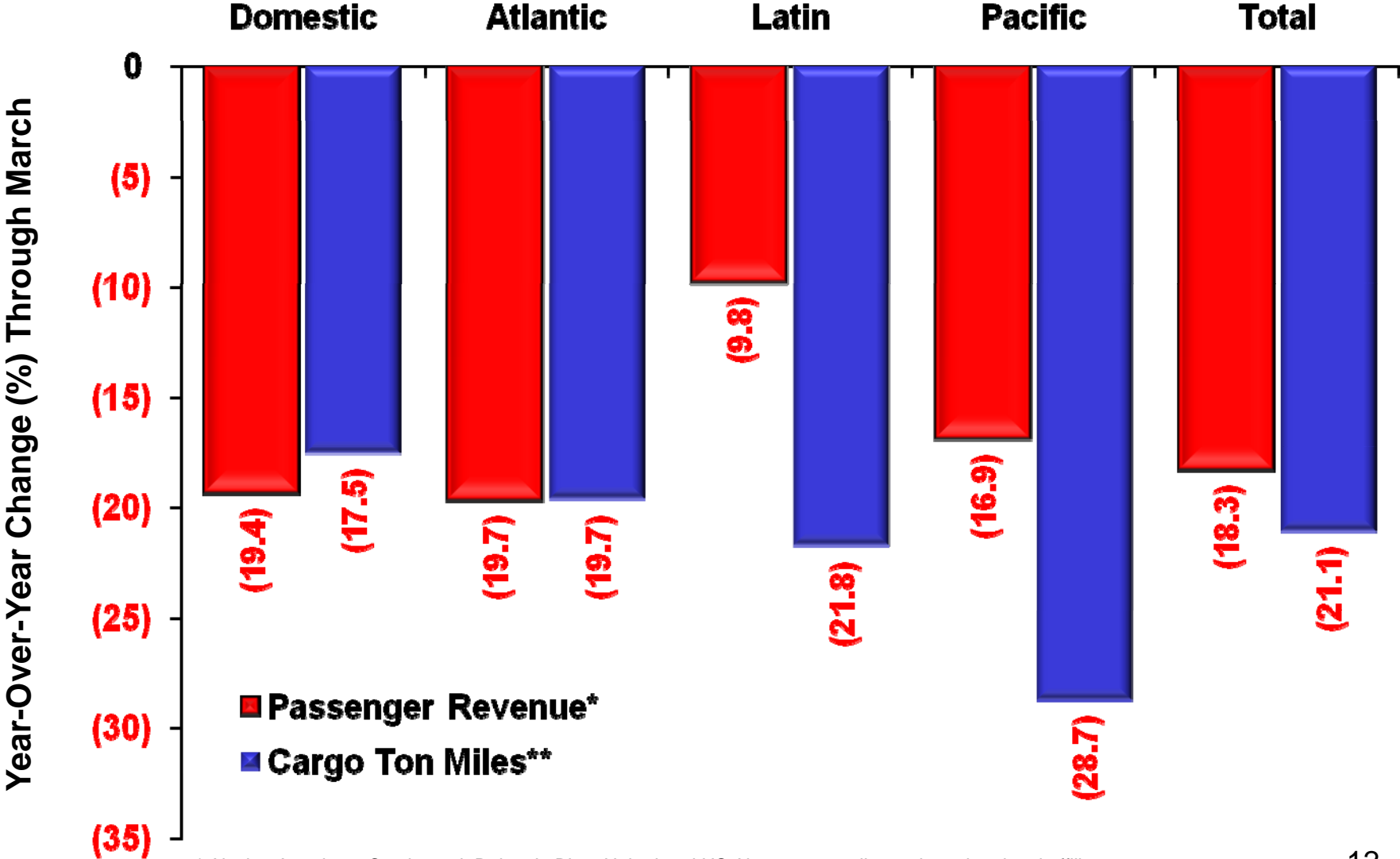
\* An available seat mile (ASM) is one seat flown one mile and is the standard unit of capacity in the passenger airline sector  
 Source: Innovata (May 7, 2009)

# International Seating Capacity Down 1.2% vs. 3Q08



\* An available seat mile (ASM) is one seat flown one mile and is the standard unit of capacity in the passenger airline sector  
Source: Innovata (via APG) published schedules as of May 7, 2009

# Demand for Air Travel and Air Cargo Down Sharply in 2009

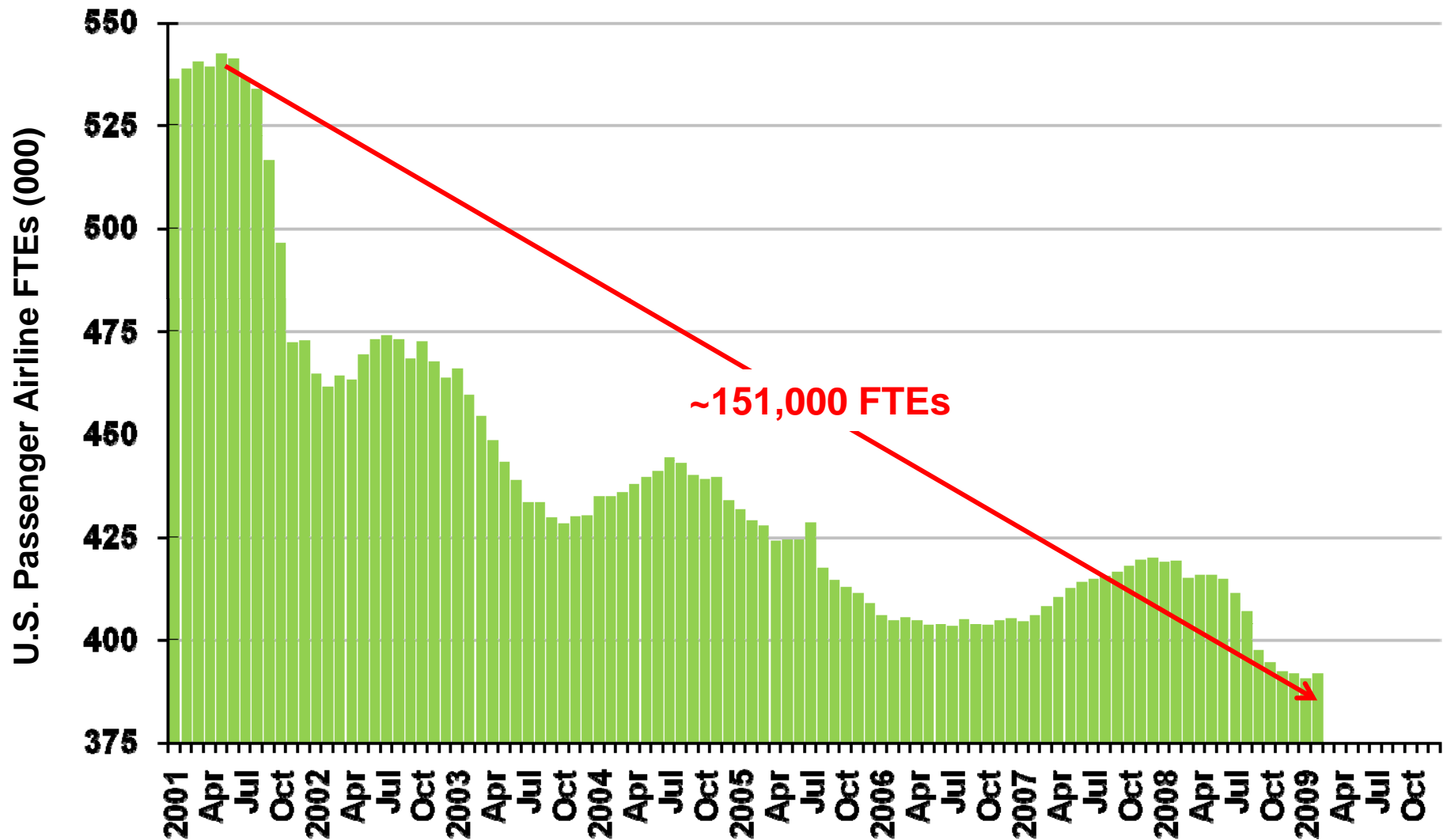


\* Alaska, American, Continental, Delta, JetBlue, United and US Airways, as well as selected regional affiliates

\*\* Alaska, American, Continental, Delta, FedEx, Hawaiian, JetBlue, Midwest, Southwest, United, UPS and US Airways

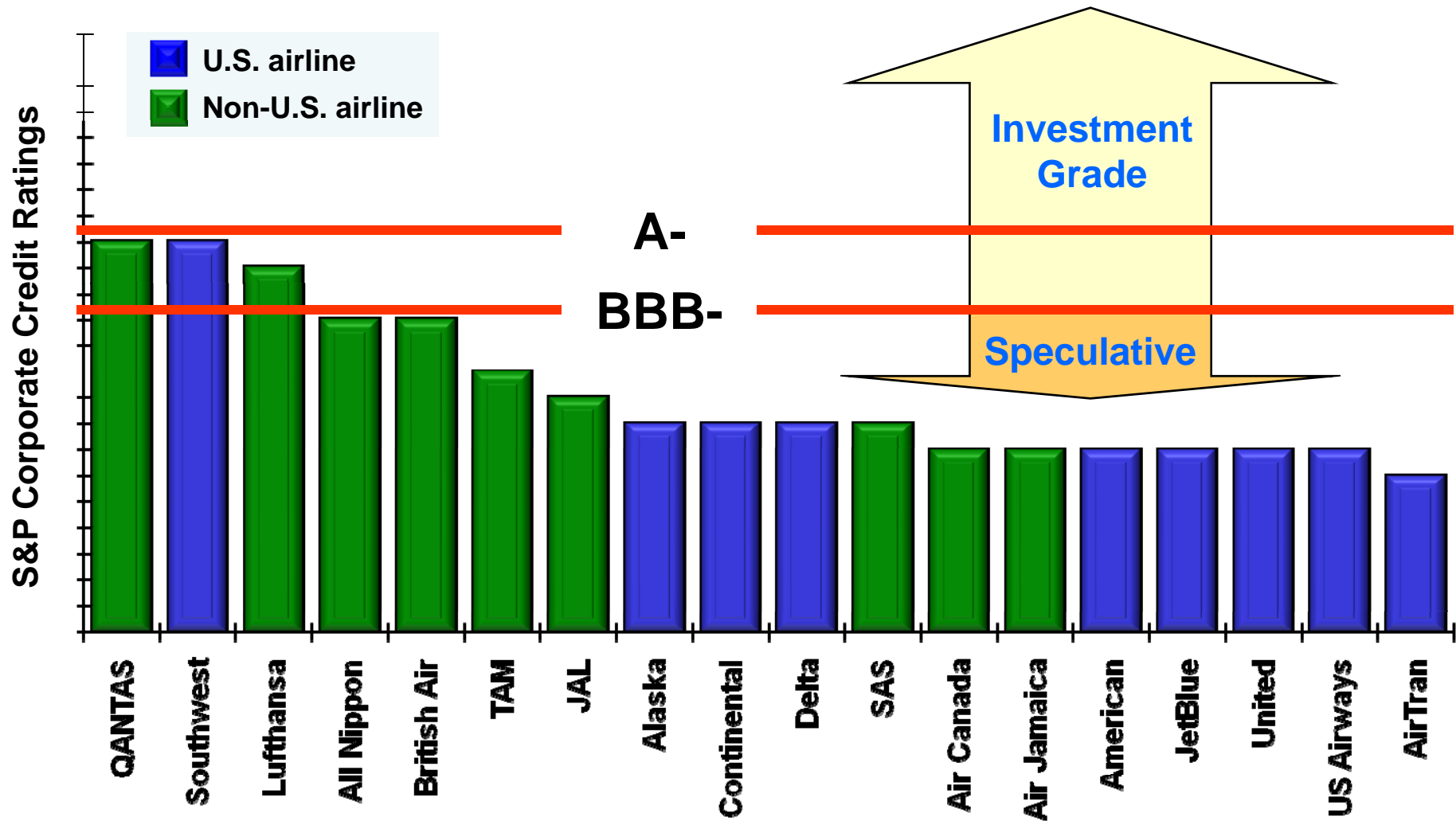
# Economy Continues Heavy Toll on U.S. Airline Jobs

FTEs Down 28% from May 2001 Peak (542K) to February 2009 (392K)



# One U.S. Passenger Airline Has Investment Grade Credit

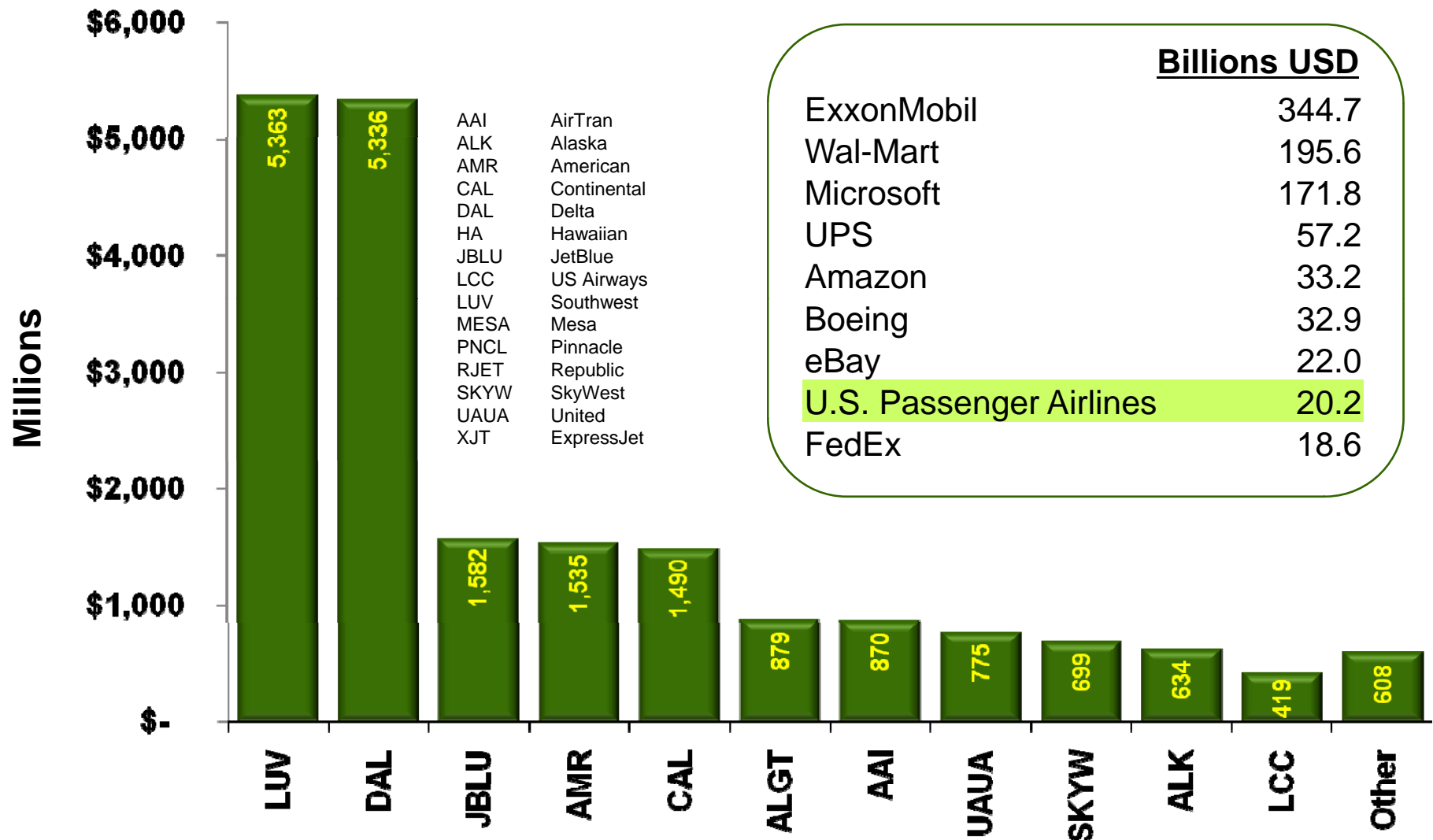
No Passenger Airline in the World Enjoys an A-Minus or Better Rating



Source: [Standard and Poor's](#) as of Apr. 16, 2009

# U.S. Passenger Airline\* Market Value in Context

Market Capitalization as of 12:00 PM EDT on May 8, 2009



# Potential solutions and recommendations to deal with these changes

- Collaboration and communications are key to success
  - Seek to understand each others needs, differing dynamics, and find common ground
  - Balanced decision-making between the parties
- Flexible and adaptable model is paramount
- Cost is a key factor for airlines
- Operational efficiencies and year over year improvements

# Recommendations

- Partnership to develop best solutions for all
- Define range of possible outcomes and model them to understand relative impact
- Keep an open mind and understand the new dynamics that are here to stay
- Do not let the enemy of good be perfect – when planning horizons span 20 to 30 years predictability is a wild card

# On-Time Airport Departure Rate Poorest in NY/NJ/PHL

Unnecessary Fuel Burn, Emissions, Crew Costs, Customer Angst

