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Forward-looking Statements

This information includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as “expect,’ “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar ex intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Delta's and Northwest’s expectations with respect to the synergies, costs and charges and capitalization, anticipated financial impacts of the merger transaction and related transactions; approval of the merger transaction and related transactions by shareholders; the satisfaction of the closing conditions to the merger transaction and related transactions; and the timing of the completion of the merger transaction and related transactions.

These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside our control and difficult to predict. Factors that may cause such differences include, but are not limited to, the possibility that the expected synergies will not be realized, or will not be realized within the expected time period, due to, among other things, (1) the airline pricing environment; (2) competitive actions taken by other airlines; (3) general economic conditions; (4) changes in jet fuel prices; (5) actions taken or conditions imposed by the United States and foreign governments; (6) the willingness of customers to travel; (7) difficulties in integrating the operations of the two airlines; (8) the impact of labor relations, and (9) fluctuations in foreign currency exchange rates. Other factors include the possibility that the merger does not close, including due to the failure to receive required stockholder or regulatory approvals, or the failure of other closing conditions.

Delta and Northwest caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Delta’s and Northwest’s most recently filed Forms 10-K. All subsequent written and oral forward-looking statements concerning Delta, Northwest, the merger, the related transactions or other matters and attributable to Delta or Northwest or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Delta and Northwest do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this news release.

Additional Information About the Merger and Where to Find It

In connection with the proposed merger, Delta filed with the Securities and Exchange Commission (“SEC”) a Registration Statement on Form S-4 that includes a preliminary joint proxy statement of Delta and Northwest that also constitutes a prospectus of Delta. At the appropriate time, Delta and Northwest will mail the final joint proxy statement/prospectus to their stockholders. Delta and Northwest urge investors and security holders to read the final joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC’s website (www.sec.gov). You may also obtain these documents, free of charge, from Delta’s website (www.delta.com) under the tab “About Delta” and then under the heading “Investor Relations” and then under the item “SEC Filings.” You may also obtain these documents, free of charge, from Northwest’s website (www.nwa.com) under the tab “About Northwest” and then under the heading “Investor Relations” and then under the item “SEC Filings and Section 16 Filings.”

Delta, Northwest and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Delta and Northwest stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Delta and Northwest stockholders in connection with the proposed merger will be set forth in the proxy statement/prospectus when it is filed with the SEC. You can find information about Delta’s executive officers and directors in its definitive proxy statement filed with the SEC on April 25, 2008 related to Delta’s 2008 Annual Meeting of Stockholders. You can find information about Northwest’s executive officers and directors in its Amendment to its Annual Report on Form 10-K filed with the SEC on April 29, 2008. You can obtain free copies of these documents from Delta and Northwest using the contact information above.

Conference Call Transcript
NWA - Q2 2008 Northwest Airlines Corporation Earnings Conference Call
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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by and welcome to the Northwest Airlines second quarter 2008 financial results conference call. (OPERATOR INSTRUCTIONS) As a reminder, this conference is being recorded, Wednesday, July 23, 2008. It's now my pleasure to turn the conference over to Mr. Andrew Lacko, Director of Investor Relations. Please go ahead.

Andrew Lacko - Northwest Airlines Corporation - Director IR

Thank you, Don, and good morning everyone. I'd like to thank you for joining us today for the Northwest Airlines second quarter 2008 financial results conference call. Joining me today are Doug Steenland, President and Chief Executive Officer; Dave Davis, EVP and Chief Financial Officer; Tim Griffin, EVP Marketing and Distribution, and Andy Roberts, EVP of Operations. In today's call, Doug will provide opening remarks followed by Dave who will review the quarter's results and provide forward guidance. After our prepared remarks, we will open up the call for questions from the analyst community followed by questions from the media.

During the course of today's call, we may make forward-looking statements and you should understand that actual results might differ materially from those projected in our forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those forward-looking statements is contained in today's earnings press release. I would also like to remind everyone that today's call is being recorded and is also being webcast at ir.nwa.com. A replay of this call will be made available on the IR section of nwa.com shortly after the call for one week. With that, I'd like to now turn the call over to Doug Steenland.

Doug Steenland - Northwest Airlines Corporation - CEO, President

Thank you, Andrew, and good morning everyone. For the second quarter of 2008 Northwest reported a net loss of $377 million, excluding the impact of non-cash impairment charges, Northwest reported second quarter net income of 170 million. This compares to the second quarter of 2007 when Northwest reported net income of 205 million before the impact of reorganization items. Northwest ended the second quarter with 3.7 billion in total liquidity and today has 3.9 billion in total liquidity as a result of recent financings. In a few moments Dave will provide additional color on our second quarter performance which was impacted by a nearly 70% year-over-year increase in fuel prices. First I'd like to make a few comments.

Let's focus first on the Northwest Delta merger. We believe the combination with Delta makes even more sense now given the continued run up in fuel prices than it did when we entered into the merger agreement in April. The diverse global network, best in class cost structure, and industry leading balance sheet of the combined carrier will create the world's premier global airline. Significant work is already under way to make sure that the synergies created by this merger are realized as quickly as possible. Northwest and Delta have jointly formed 26 integration planning teams comprised of leaders from both companies that are charged with smoothly integrating operations and realizing the targeted synergies once the merger closes. We continue to expect the closing in the fourth quarter of 2008.

Since the merger announcement in April, Northwest and Delta have, among other things, announced that our respective pilot groups have reached an unprecedented pre merger collective bargaining agreement that includes a process to achieve full seniority list integration upon closing of the merger. This agreement will allow for the full utilization of network and fleet synergies. It remains subject to membership ratification which is expected to be realized in August of this year. We've announced the key executives that will lead the combined airline after the mergers closed. We also announced that the shareholder vote for the approval of the merger will take place at Northwest's annual meeting on September 25. We've updating our estimate of merger related synergies to $2 billion on an annualized steady basis and estimated the one-time transition costs of the merger to be 600 million over a three-year period.

Turning back to the second quarter, Northwest was able to deliver solid performance on many fronts despite the 637 million increase in fuel cost that we experienced. Importantly, we were able to grow top line revenue by 12.4% and consolidated passenger revenue by 10%. Based on the most recent comparative data available, Northwest achieved length of haul adjusted domestic (inaudible), that is 111.4% of the industry average. We also continue to demonstrate prudent and disciplined cost control and the airline maintains a strong liquidity position relative to our peers. We'll continue to pursue opportunities to improve on this strong liquidity position.

For our customers, Northwest continues to run a very reliable airline. Year to date through June, Northwest DOT completion factor of 99% was the best among network carriers. In 2008, Northwest has so far achieved 15 perfect 100% completion factor days system wide and we've had 99 -- excuse me, 19 100% completion factor days so far in North America. For Northwest, our principal operating metric is departure at 0 which causes all the rest of the operating performance to fall in line and I'm pleased to say that our departure at 0 performance year to date is among the best in the industry and the airline has posted its strongest 0 performance on record in the Atlantic and Pacific regions during the three months of the second quarter.

Northwest continues to lead the industry in luggage performance through May and we expect to maintain that strong position through the end of the second quarter. Northwest's operational performance is recognized by our customers as the airline leads the industry in the fewest number of customer complaints in the most recent DOT rankings for May.

These strong operating results directly reflect the hard work and dedication of our 30,000 coworkers and for that I want to thank them for a job very well done.

The unprecedented rise in fuel prices has had a significant adverse affect on our second quarter financial results. The average price that we pay for jet fuel increased by $1.41 per gallon or 69.3% versus the second quarter of 2007. In response to that, we continue to take actions to help mitigate this dramatic price increase. These actions include on the capacity front we've announced that we'll reduce fourth quarter system main line capacity by 8-1/2% to 9-1/2% versus fourth quarter 2007. These fuel price driven capacity reductions require that we reduce overall staffing by 2500 full-time equivalents. These reductions are being achieved, we believe, through voluntary early out programs, voluntary leave, work rule modifications and attrition.

Consistent with these capacity reductions we've announced that we'll remove 14 757 and Airbus narrow body aircraft from the fleet. Additionally, on the fleet front, we continue to take delivery of the 76-seat regional aircraft which, on average, are approximately 30% more fuel efficient than our DC-9s. In addition to our continued participation in industry fare actions, Northwest has matched other carriers by introducing a fee for all checked baggage, implemented fuel-related service fee for [rural] perks and (inaudible) tickets, and increased ticket change fees which, in the aggregate, we estimate will drive between 250 and 300 million in annual revenue improvement. While these initiatives are expected to have a meaningful impact on our results, additional capacity reductions and further fare and fee actions may be required if fuel prices remain at current levels or should they increase.

With fuel prices at today's levels, the airline industry will continue to struggle in its current form. It's inevitable that capacity will continue to come out either through voluntary or involuntary means. We firmly believe that Northwest is very well positioned to face the challenges that high fuel costs have created. Our solid balance sheet, our competitive cost structure, our strong liquidity position and importantly our game changing merger with Delta position Northwest to not only survive, but to prosper in this new environment. With these opening remarks, I'd now like to turn the call over to Dave Davis for some additional color on the (inaudible) results. Dave.

Dave Davis - Northwest Airlines Corporation - CFO

Thank you, Doug. As Doug noted, Northwest today reported a second quarter 2008 net loss of $377 million or $1.43 per share. Excluding non-cash impairment charges, Northwest reported second quarter net income of $170 million versus the second quarter of 2007 when the airline reported net income of 205 million before the impact of reorganization items. Our second quarter reported results include a non-cash impairment charge of $547 million and market to market gains on out of period fuel hedges of $250 million. The impairment charge relates to the finalization of the good will impairment testing that Northwest began during the first quarter which resulted in a $3.9 billion charge to our first quarter earnings.

Upon completion of the testing, it was determined that an additional net non-cash impairment charge of $547 million was required. The charge has no impact on our liquidity or financial covenants. Our quarterly earnings were impacted by the implementation of fresh start accounting, which is detailed in the financial statements. Also, the acquisition of [Musava] in April of last year affects the comparison for year over year results for certain P&L line items. These changes are also detailed in the footnotes to our financial statements on our press release.

Turning to revenue, operating revenues for the second quarter were $3.6 billion, up 12.4% from last year. Consolidated passenger revenue increased by 10% and consolidated ASMs were up by 3.6% year over year. Northwest consolidated RASM growth was 6.1% or 4.7% excluding the impact of fresh start accounting.

Looking into early fall, we see domestic book load factor up three to four points versus last year with materially higher yields. Moving to our revenue performance by region, our year-over-year RASM improvements, excluding fresh starting accounting was as follows, our domestic main line RASM was up 3.5% on 6.7% fewer ASMs and our domestic consolidated RASM with regionals was up 4.8% on 0.1% fewer ASMs. Our year-over-year regional RASM decreased by 5.3% on 48% more ASMs. Our Pacific RASM increased by 10.9% primarily on 0.9% fewer ASMs primarily driven by reduced capacity in our beach markets with the introduction of A330 aircraft replacing 747 200s. Atlantic RASM decreased 0.2% on a 28.1% increase in ASMs. Increased capacity in the Atlantic was driven by the annualization of new transatlantic service launched in 2007 as well as previously announced new service additions in 2008. Cargo revenues of $212 million were up 14 million or 7.1% favorable the second quarter 2007 on a 9.1% decrease in cargo ton miles. Cargo revenue per ton mile increased a strong 18.1% year over year. We continue to closely monitor cargo performance to optimally match freighter capacity with market demand.

Moving now to costs. Second quarter operating expenses of 3.[2] billion, excluding impairment charges, were up $504 million or 17.8% year over year as a result of a $637 million increase in year over year fuel costs. Excluding fuel costs, gains on out of period fuel hedges and the non-cash impairment charge, operating expenses increased by $123 million year over year. Our main line unit costs, excluding fuel and non-recurring items, were up 4.7% versus last year which is favorable to our previous guidance. The year over year unit cost growth was the result of continued impact of non-cash emergence items and merger related expenses. Excluding these items, our year-over-year CASM growth was approximately 1%. This modest CASM on nearly flat line ASMs is evidence of Northwest's continued focus on prudent cost control in this high fuel environment.

Beginning in the third quarter, the non-cash emergence related items that have contributed to our CASM increases throughout the year will no longer impact our year-over-year results. Fuel continues to be Northwest's single largest cost representing 43.7% of the company's second quarter operating expenses excluding the non-cash impairment charge and out of period hedge gains. During the quarter, excluding the taxes and out of period fuel hedge gains, we paid an average of $3.45 per gallon, which was 69.3% higher than last year. Northwest had previously hedged approximately 40% of its fuel exposure for the quarter and we realized $43 million in value from settled fuel hedge contracts during the quarter.

Moving now to the balance sheet. We ended the quarter with 3.7 billion in total liquidity of which 3.3 billion is unrestricted and 424 million is restricted cash. The restricted cash balance continues to include a fully funded tax trust valued at 255 million at quarter end which was originally established in 2002. Including unrestricted cash and the value of the funded tax trust, our quarter ending liquidity was 26.6% of trailing 12 months revenue which continues to be among the highest in the industry. Capital expenditures during the quarter totaled $330 million. Aircraft CapEx was 294 million of which 230 million was offset by financing proceeds. Non-aircraft CapEx totaled 36 million during the quarter. Also, on July 15 we closed on $183 million aircraft and spare engine financing transaction. The cash from this financing will appear in our third quarter ending cash balance. Our total at the end of the first quarter was $9.7 billion, including the present value of off balance sheet aircraft leases. Our net debt at the end of the quarter was 6.4 billion and Northwest remains in full compliance with all of our financial covenants.

Let me now turn to guidance for the remainder of the year. Regarding third quarter capacity, we expect the following, domestic main line to be down 10 to 11%, international to be up 9 to 10% with system main line down 1-1/2% to 2-1/2%. Regional capacity will be up 50% to 55% as the 76 seaters continue to be delivered. Domestic consolidated capacity will be down 2% to 3% and system consolidated capacity will be up 2% to 3%. Now turning to the fourth quarter of 2008, domestic main line is planned to be down 18% to 19% while international will grow 2% to 3% and system main line capacity will be down 8-1/2% to 9-1/2%. Regionals will be up 50% to 55%. Domestic consolidated capacity will be down 7% to 8% and system consolidated capacity will be down 3% to 4%. Full-year capacity guidance is included in the tables attached to this morning's press release.

Turning now to revenue. Given the industry's unprecedented fourth quarter capacity cuts, it's not completely clear what the resulting unit revenue improvement will be. However, if preliminary booking indicators continue to hold, we project fourth quarter RASM growth to be very strong. Early indicators are that we will be able to maintain the strong unit revenue growth we have achieved so far this year plus RASM improvements commensurate with the planned capacity pull downs. Regarding CapEx, we expect 2008 aircraft capital spending to be approximately $1.2 billion with 890 million of this amount financed. Through the second quarter, we have already spent 613 million on aircraft CapEx and received 475 million in financing proceeds. Non-aircraft capital spending is expected to be 150 million or less for the year, which is consistent with the previous guidance we provided. Regarding cost guidance for the remainder of 2008, we expect our third quarter main line CASM ex-fuel to be up 1.5% to 2.5% on 1.5% to 2.5% fewer ASMs largely driven by integration expenses related to the merger. For the full year, main line CASM excluding fuel will be up 3% to 4% on a 2-1/2% to 3-1/2% reduction in main line ASMs. For those that mode