

Delta Air Lines Announces Financial Information

ATLANTA, Nov. 12, 2003 -- Delta Air Lines (NYSE: DAL) today reported certain financial information. The key points are, Delta:

- Will record at Dec. 31, 2003 a non-cash adjustment reducing equity which is related to its defined benefit pension plans.
- Will record during the December 2003 quarter a non-cash charge related to its defined benefit pension plan for pilots.
- **Suspended the payment of dividends on its Series B ESOP Convertible Preferred Stock.**
- Changed the form of payment Delta will use to redeem shares of Series B ESOP Convertible Preferred Stock when redemptions are required under the Delta Family-Care Savings Plan, a broad-based employee benefit plan.
- Is updating its projected GAAP net loss for the December 2003 quarter.

The non-cash charges announced today do not adversely affect the current funding requirements of Delta's defined benefit pension plans (Pension Plans). Delta has paid its funding obligations for the Pension Plans for 2003. As previously reported, Delta estimates that its funding obligations under the Pension Plans will be between \$350 million and \$450 million for 2004. The Pension Plans meet all funding requirements, and Delta intends to continue to fund the Pension Plans as required by law.

Payment of dividends on the Series B ESOP Convertible Preferred Stock (ESOP Preferred Stock) will be suspended effective Dec. 28, 2003.[1] Although the dividend is being suspended, participants in the Delta Family-Care Savings Plan (Savings Plan) will still receive all accrued and unpaid dividends on their ESOP Preferred Stock when that stock is redeemed (i.e., when Savings Plan participants terminate employment with Delta or make annual diversification elections) or the dividend is reinstated. Delta expects the suspension of the dividend will have a minimal impact on individual Savings Plan accounts.[2] The actions announced today will not otherwise negatively impact Delta's contributions to or the operation of the Savings Plan.

Additional information about each of these matters is set forth below.

Suspension of Dividends on Series B ESOP Convertible Preferred Stock

To comply with Delaware law, Delta's Board of Directors suspended indefinitely the payment of dividends on the ESOP Preferred Stock. Delaware law limits a company's ability to pay dividends in certain circumstances.[6]

The Savings Plan is a broad-based plan that allows eligible employees to contribute a portion of their pay to various investment funds. Delta also makes contributions to the Savings Plan. All shares of ESOP Preferred Stock are held by Fidelity Management Trust Company in its capacity as trustee for the Savings Plan. At Oct. 31, 2003, the total value of the Savings Plan's assets was \$4.3 billion, approximately 15 percent of which consisted of ESOP Preferred Stock and Delta common stock.[7]

A holder of ESOP Preferred Stock is entitled to receive, as and if declared by the Board of Directors, a per share cash dividend of \$4.32 per year. Unpaid dividends will accrue without interest until paid. The terms of the ESOP Preferred Stock prohibit Delta from paying any dividend on, or redeeming or purchasing, its common stock until all accrued dividends on the ESOP Preferred Stock have been paid.

At Oct. 31, 2003, approximately 5.9 million shares of ESOP Preferred Stock were held by the Savings Plan. About 3.7 million shares of ESOP Preferred Stock are currently allocated to the accounts of Savings Plan participants; the remainder of the shares is available for allocation in the future.

Endnotes

[1] During 2002, Delta paid \$26.4 million in dividends on the ESOP Preferred Stock.

[2] Delta estimates the impact of the dividend suspension in the first year would be two tenths of one percent of the \$72 stated value of each share of ESOP Preferred Stock held in a participant's account.

[3] Delta will record this additional minimum pension liability charge to equity in accordance with Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions."

[4] Delta will record this settlement charge in accordance with Statement of Financial Accounting Standards No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits."

[5] This non-cash charge relates to the retirement of approximately 620 pilots during the year ended Sept. 30, 2003. In contrast, an average of approximately 290 pilots retired annually between calendar years 2000 and 2002.

[6] Delaware law generally prohibits a company from paying dividends on its stock, or redeeming or purchasing its stock for cash or other property, unless the company has sufficient "surplus." "Surplus" generally is defined as the excess of a company's net assets over the aggregate par value of its issued stock. Due to the effect of its estimated net loss for the December 2003 quarter and the charge to equity discussed in this press release, Delta believes it will have negative equity of approximately \$600 million at Dec. 31, 2003.

[7] The Savings Plan is distinct from Delta's defined benefit pension plans. At Oct. 31, 2003, the total assets of Delta's defined benefit pension plans were approximately \$7 billion. The defined benefit plans do not own any Delta stock.

[8] Endnote 6 to this press release summarizes the applicable limitation under Delaware law.

[9] These factors include the duration of the period during which Delta may not redeem ESOP Preferred Stock for cash under Delaware law; the fair market value of Delta common stock when ESOP Preferred Stock is redeemed; and the number of shares of ESOP Preferred Stock redeemed by Savings Plan participants who terminate their employment with Delta or elect to diversify their Savings Plan accounts.

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