



August 11, 2006

Dear Delta Retiree or Survivor:

I wanted to make sure you are aware that Delta is beginning to work with the retiree committees established by the bankruptcy court to determine how best to make the necessary changes to Delta's retiree healthcare benefits. The goal of this effort is to contribute toward the level of cost savings Delta needs to successfully restructure, while remaining fair and equitable in the context of sacrifices already made by other Delta stakeholders. Because we appreciate how important this issue is to you, this letter is intended to provide you with some explanations about our approach and the process:

- **Approach:** As background, Delta retirees currently range from those who do not pay any premiums to those who pay 100% to those who fall at any point in between – with differing circumstances, such as age and pension levels, and varying needs for coverage. We are attempting to recognize and accommodate these differences equitably and sensitively within the range of what we can afford. We are not proposing the total elimination of retiree healthcare benefits and we do intend to leverage social programs such as Medicare. In short, we are trying to minimize the impact while at the same time realizing the cost savings Delta needs. To successfully restructure, Delta also must adopt a market-competitive approach, as the company did when we implemented cost-reduction changes for Delta's other stakeholders, including our active employees. Currently, Delta retirees in general enjoy one of the most generous healthcare benefit programs in the industry and, as we progress in our restructuring, it is necessary that our retiree healthcare benefit costs also become more competitive among our industry peers.
- **Access:** We recognize access to coverage is highly valued by many of you. While Delta can no longer afford to subsidize benefits at the same level as we have in the past, we do intend to continue to provide some subsidies based on specified criteria and to provide everyone with access to plans that guarantee an opportunity to purchase health insurance, including insurance supplemental to Medicare coverage.
- **Basic Life Insurance and Survivor Income Benefits:** At this time, we do not plan to make any changes to these benefits for Delta's current retirees and survivors.
- **Process:** Beginning the week of August 7, 2006 we will work with the retiree committees to consider and agree upon changes to your healthcare benefits. In the event we cannot reach agreement, we will ask the bankruptcy court to review this issue this fall. To support Delta's plan to emerge from bankruptcy in the first half of 2007, our intent is to make any changes effective January 1, 2007.

Rest assured we will do our utmost to keep you informed. While we believe it is best to refrain from discussing details while we consider these changes with the committees, we will provide you with complete and detailed information as soon as appropriate. In the meantime, please continue to check <http://www.dlretiree.info/>.

On a related and more positive note, because Congress passed the much-needed pension reform legislation containing the airline funding provisions our leadership sought, and the President has indicated he will sign it into law, Delta now intends to save the defined benefit pension plan for its active and retired flight attendant and ground employees – something we all fought hard together to achieve. Thanks in great part to all of you, the nearly 100,000 messages and multiple visits to Capitol Hill by Delta people made an impact and no doubt helped produce the overwhelming bi-partisan support the legislation received.

Again, we will be sure to keep you informed. In the meantime, thank you very much for your continued support of Delta. Particularly in these challenging times – and as we witnessed with pension reform – it makes a difference and is greatly appreciated.

Sincerely,

Robert L. Kight
Vice President – Compensation, Benefits and Services