



April 14, 2008

Dear Fellow Pilot,

Today, the boards of Delta Air Lines and Northwest Airlines jointly announced their intent to merge the two carriers under the Delta brand.

Unlike traditional airline merger scenarios, the proposed merger is unique in that, for the first time in the history of airline mergers, the Delta pilots, through their union representatives, have participated from the formative stages of the proposed merger. This past Saturday evening, your MEC voted unanimously to conditionally approve proposed contractual modifications to the Pilot Working Agreement, codified in Letter of Agreement 19. Soon, you too will play a crucial role through the membership ratification process as you decide whether to ratify these changes. If you approve Letter 19, then we will know the terms on which we will participate in the transaction, and Letter 19 will take effect on the date the corporate transaction closes.

In my letter of March 17, I described your MEC's efforts to achieve an overall comprehensive agreement consisting of a transition agreement, a joint pilot contract and an integrated seniority list in the event of a corporate merger. Letter 19 is *not* that agreement. The contractual modifications and associated returns of Letter 19 will apply *only* to pre-merger Delta pilots. Pre-merger Northwest pilots will continue to work under their current agreement until together we negotiate a joint pilot contract for the merged airline covering both groups. What Letter 19 does do, however, is provide us with the certainty of returns instead of our having to negotiate later in the face of rising fuel costs and a declining economy.

But let's be clear about one thing in particular: the Delta MEC welcomes the Northwest pilots as partners in the building of the new merged airline, and we look forward to working with the Northwest MEC to bring about the rapid completion of a new joint contract and a fair and equitable integrated seniority list to take effect on the effective date of the new joint agreement.

With that said, I want to provide you an update of the events that led up to today's announcement and the reasons behind your elected representatives' decision to unanimously ratify Letter 19 and support the merger, as proposed, between Delta and Northwest.

Nearly one year ago, both Delta and Northwest emerged from Chapter 11 as restructured carriers, thanks in very large part to the sacrifices of each airline's pilots. Those sacrifices were investments in the future of our respective carriers, and we have the right to protect and defend those investments.

Over the months following Delta's exit from Chapter 11, we carried millions of our passengers safely to their destinations as we had done before and throughout the bankruptcy process. But there was a difference. For the first time since the 9-11 attacks, our companies began to report profits.

Discouragingly, the price of oil continued its meteoric rise and with it, speculation increased that long-anticipated industry consolidation was just around the corner.

In November, the rhetoric increased when the *Wall Street Journal* reported that hedge fund Pardus Capital Management, LP was attempting to force a merger between Delta and United. The story was met with an immediate response from the Delta MEC establishing its position on any proposed industry consolidation. In essence, we made clear that while we do not oppose industry consolidation and that the "right" consolidation opportunity could draw our support, we would not support a transaction for transaction's sake. Further, the Delta pilots would be critical participants from the beginning in any consolidation discussion and potential resultant event, not an afterthought to be considered at a later date.

Over the next several months, we continued to repeat this message. We soon established our relevance in a process where labor has historically been excluded. Having read the last several Chairman's Letters, you are no doubt familiar with what has taken place since Pardus' ill-conceived attempt to shape *our* future.

Since my last letter, the financial difficulties that Delta and the rest of our industry face have not gone away. In fact, they have intensified. Oil remains above \$100 per barrel, having increased at a historically steep rate since Delta exited bankruptcy. The economy is suffering, and many economists assert that we are entering a recession; others argue we are already in one. The credit markets have become increasingly difficult if not impossible to access. Just this month, Aloha, ATA and Skybus ceased operations and Champion Air will shut its doors on May 31. Last week Frontier filed for Chapter 11 protection. Legitimate concerns exist about the long-term financial viability of several other carriers.

Delta is not immune to these pressures, and they must be realistically addressed in the context of our broad goal which has not changed—that the Delta pilots will work for a company that has long-term viability with pay, benefits, working conditions and retirement commensurate with the responsibility and experience required of our profession. With that goal in mind, we remained actively and aggressively engaged with Delta's senior executives as they continued to consider consolidation options. The purpose of that engagement was to determine what courses of action, to include opposing or supporting any proposed merger, would best support our overall goal.

While we were unable to reach an overall agreement with the Northwest MEC, the Delta MEC remained determined to find an alternative to the traditional merger process, an alternative that would provide for a superior outcome not only for the pre-merger Delta pilots, but eventually *all* pilots of the merged corporation.

After careful analysis and deliberation of the facts, the Delta MEC concurred with Delta's senior executives and our financial professionals that a merger between Delta and Northwest was financially superior to a standalone Delta. That determination led to the negotiation of Letter 19, a tentative agreement between Delta management and the Delta MEC which, if ratified, will provide certain modifications to the current Pilot Working Agreement designed to facilitate the proposed merger with Northwest and provide returns for the value our participation brings to the merger.

Elements of Letter 19 include:

- A three and one-half percent equity stake in the merged Company in fully tradeable stock at the close of the merger
- Annual pay raises beginning with a five percent raise on January 1, 2009 and followed by four percent raises every January 1 through January 1, 2012. On January 1, 2011, Delta pilot pay rates will exceed the Letter 46 rates, without even considering the equity each pilot will receive.
- A one percent increase to the DC Plan contribution rate beginning in January 2010.
- Furlough protection—with certain exceptions, no pilot may be furloughed as a result of the merger for a period from merger announcement until 24 months after the close of the merger.
- An increase in the full-pay sick leave bank from 240 hours to 300 hours.
- The ability for a pilot returning from disability to refill his full pay sick leave bank once every four years instead of once in a career.
- An increase in 737-700 pay rates to match the 737-800 pay rates.
- In return for these improvements, we would provide various modifications to our scope clause to enable Delta to proceed with the merger. For example, we would allow the Company to place the Delta code and brand on Northwest flights on an unlimited basis after the close of the merger, provide greater flexibility on minimum block hour protections during the merger process, and permit the Company to retain Northwest's large stake in Midwest Airlines (previously purchased by Northwest Airlines) while maintaining their separate operational status.

Your MEC unanimously adopted and enthusiastically endorses Letter 19. Soon you too will be asked to vote on Letter 19. Our role in the proposed merger will then rest with you.

If you choose to ratify Letter 19, its terms will become effective at the close of the corporate transaction. We will actively support the merger through legislative and other efforts. We will join management to seek Department of Justice antitrust approval in a timely manner.

If you decide not to ratify Letter 19, it will become null and void. In that event, what happens next is unclear but we will retain our rights to seek to reshape or even oppose the proposed merger. Your MEC would determine the course it would take under that scenario.

Over the next several weeks, we will provide you with the information you need to make an informed decision on Letter 19. We will send out a *Negotiators' Notepad* and a special edition *Widget* which will provide you with in-depth information on various aspects of Letter 19, the broader Transaction Framework Agreement and other related issues. Additionally, your elected representatives will soon be in the lounges to answer your questions and address your concerns, the Delta Pilot Network will be staffed this week, and Pilot-to-Pilot volunteers will be available throughout the system to address your questions. The Delta MEC will also host road shows during the coming weeks at all pilot domiciles. The membership ratification process will follow soon after the completion of the road shows.

Anger and hope will never be effective strategies to counter the challenges we face, and change is never easy, but as we have become intimately familiar with over the years, it is one of the few constants in our industry. A key difference this time, however, is that the Delta pilots can choose to be an agent of that change rather than a bystander to it.

Your union leadership chose to craft a new and, I believe, far superior solution—one with a substantially brighter outcome for the pilots of the merged corporation than the traditional merger scenario. As your MEC recognized, we have a historic opportunity before us. I encourage you to read and understand all the information you receive. Talk to your elected representatives. Seek out answers to your questions. Make every effort to attend a pilot road show.

Then, when the ratification window opens, I join the Delta MEC in strongly encouraging you to vote in favor of ratifying Letter of Agreement 19.

Fraternally,

A handwritten signature in black ink that reads "Donald Lee Moak". The signature is written in a cursive, flowing style.

Lee Moak, Chairman
Delta MEC