ALHI IAC
April 28, 2017

Take Charge of Change!!
With Personal Incomes Outpacing the Price of Air Travel, Americans Can Purchase ~2.5 Times the Amount of Air Travel They Could at the Outset of Deregulation Adjusted for Inflation, Domestic Air Travel Remains 40+ Percent Below 1980 Levels

Source: A4A analysis of data from BEA, BLS and BTS Data Bank 1B (10% sample of tickets for all cabins and fare basis codes)
U.S. Airlines Set Multiple Traffic and Capacity Records in 2016; Load Factor Fell

**Passengers Enplaned (Millions) – Jan-Dec**

- 1990: 466
- 2018: 823

**Revenue Passenger Miles (Billions) – Jan-Dec**

- 1990: 458
- 2018: 933

**Available Seat Miles (Billions) – Jan-Dec**

- 1990: 733
- 2018: 1,119

**Load Factor (Percent) – Jan-Dec**

- 1990: 62.4
- 2018: 83.4

Source: U.S. Bureau of Transportation Statistics T1, systemwide scheduled service on U.S. airlines
2016 Revenues Down 1% As 5.2% Lower Fares¹ Offset 3.1% More Passenger Traffic
2016 Expenses Up 0.9% As Higher Labor and Other Expenses Offset Lower Fuel

% Change YOY in Operating Revenues

<table>
<thead>
<tr>
<th>Component</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pax Traffic</td>
<td>3.1</td>
</tr>
<tr>
<td>Pax Yield</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Cargo Rev</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Other Rev</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Total</td>
<td>6.2</td>
</tr>
</tbody>
</table>

% Change YOY in Operating Expenses

<table>
<thead>
<tr>
<th>Component</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>9.3</td>
</tr>
<tr>
<td>Fuel</td>
<td>2.5</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2.0</td>
</tr>
<tr>
<td>Airports</td>
<td>6.4</td>
</tr>
<tr>
<td>Aircraft</td>
<td>4.4</td>
</tr>
<tr>
<td>Other (3)</td>
<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td>(17.0)</td>
</tr>
</tbody>
</table>

1. Yield = fare per mile (cents per RPM)
2. Sale of frequent flyer award miles to airline business partners, pet transportation, in-sourced aircraft and engine repair, flight simulator rentals, inflight sales, etc.
3. Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, nonfuel payments to regionals

Source: A4A analysis of reports by Alaska/Virgin America, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit and United
U.S. Airlines Saw Continued Improvements in DOT Operational Metrics in 2016
Gains Driven by Investments in Aircraft, Systems, Procedures, Staffing

**Flight Completion Factor (%) – Jan-Dec**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best since 1992</td>
<td>98.83</td>
<td>98.46</td>
<td>97.82</td>
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</tbody>
</table>

**On-Time Arrival Rate (%) – Jan-Dec**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best since 2012</td>
<td>81.42</td>
<td>79.92</td>
<td>76.25</td>
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</tbody>
</table>

**Properly Handled Bag Rate (%) – Jan-Dec**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best ever recorded</td>
<td>99.73</td>
<td>99.68</td>
<td>99.64</td>
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<td></td>
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</tbody>
</table>

**Oversales per 10,000 Customers – Jan-Dec**

<table>
<thead>
<tr>
<th>Year</th>
<th>Performance</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Best ever recorded</td>
<td>0.62</td>
<td>0.76</td>
<td>0.92</td>
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<td></td>
<td></td>
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</table>

Sources: BTS and DOT Air Travel Consumer Report (http://www.dot.gov/airconsumer/air-travel-consumer-reports)
Seriously!?! ALHI Never Oversale Their Programs
J.D. Power: North American Airline Satisfaction Climbs to 10-Year High

“The airlines are clearly listening to their passengers and are taking action. As a result, we see satisfaction rising across all touch points of the passenger experience. Airlines are making positive strides by adding value to its products and services with newer and cleaner planes, better in-flight services, improving on-time arrivals and bumping fewer passengers from their flights.”

-- Rick Garlick, J.D. Power (May 11, 2016)

ACCELERATING GLOBALIZATION

- EXPAND INT’L NETWORK
- DEEPEN PARTNERSHIPS
- CUSTOMIZED PRODUCTS
A DURABLE BUSINESS MODEL
Solid financial foundation and disciplined capital deployment are the basis for long-term, sustainable performance

2016: Another Year of Strong Results
Delivered another record performance with $6.1 billion in pretax profits and 16.5% operating margins

2017: A Transition Year for Our Business
Expect to maintain profits, but margins under pressure as revenue improvement lags cost increases

Built for Long-Term Success
Ensuring all stakeholders benefit from our strong performance through the business cycle
OPERATIONS
Top of Industry Operational Performance – FY2016

DOT COMPLETION FACTOR
- Delta: 99.5%
- Alaska: 99.5%
- United: 99%
- American: 98.8%
- Southwest: 98.7%
- Jetblue: 98.7%

ON-TIME (A0)
- Delta: 73.9%
- Alaska: 70.1%
- United: 68.6%
- American: 62.6%
- Southwest: 62.0%
- Jetblue: 60.2%

DOT MISSED BAG RATIO
- Alaska: 1.61
- Jetblue: 1.64
- Delta: 1.81
- United: 2.60
- Southwest: 2.98
- American: 3.38

DELTA #1
- 8 OF 12 MONTHS
- 9 OF 12 MONTHS
- 2 OF 12 MONTHS
DELIVERING SUSTAINABLE RESULTS

Showed the durability of our business, overcoming RASM weakness and cost pressures to produce solid profitability

**Pre-Tax Profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1.6B</td>
</tr>
<tr>
<td>2013</td>
<td>$2.7B</td>
</tr>
<tr>
<td>2014</td>
<td>$4.5B</td>
</tr>
<tr>
<td>2015</td>
<td>$5.9B</td>
</tr>
<tr>
<td>2016</td>
<td>$6.1B</td>
</tr>
</tbody>
</table>

**Record 2016**

- Produced $6.1 billion of pre-tax income, operating margin of 16.5% and return on invested capital of over 20%
- Industry-leading operational reliability with 241 days of zero mainline cancellations, and the highest customer satisfaction of the network carriers
- Generated $7.2 billion of operating cash flow, and $3.8 billion of free cash flow used in part for $3.1 billion in dividends and share repurchases
INVESTING IN PRODUCTS AND AMENITIES THAT CUSTOMERS VALUE

- Introducing the A350-900 in the Pacific, and the first major U.S. airline customer for the C Series
- Replacing MD88 aircraft with new larger A321s and 737-900ERs for better product offering and segmentation

- Launching the world’s first all-suite business class and Premium Select cabin later this year
- Continued investment in existing aircraft

- Consolidating in T2/T3 at LAX to be the only carrier with connecting domestic and international operations behind security
- Replacing terminals C & D in New York LaGuardia with state-of-the-art facilities

- RFID baggage handling
- New data center and cybersecurity investments to drive enhanced reliability
- Branded fare development

- New flagship Sky Clubs in Seattle and Atlanta
- Improved amenities including available spa treatments and upgraded food and beverage

DELTACO
DELTA EDGE MEETINGS

August 2016
Successful Launch

December 2016
Achieved Benchmarking Goals

January 2016
Gained Momentum

2017
Establish the Future of Delta Edge Meetings
DELTA MEETING NETWORK®

THIS IS WHERE
MEETINGS
LAND.

With access to more than 300 destinations worldwide, easy-to-use booking tools and robust scheduling options, Delta Meeting Network® delivers the flexibility you need with the control you want. So, you can do more with any budget.

MEETING AND EVENT TRAVEL
MADE SIMPLE.

We offer a dedicated team of specialists across our vast global network and a variety of cost-saving options to help make one of the most challenging parts of coordinating a meeting easier than ever.

SETTING UP
A MEETING

Register all meetings at delta.com/meetings using the Delta Meeting Request Form. Delta Meeting Network (DMN) specialist will handle each request from beginning to end including: registering the meeting, generating a contract, servicing the agreement and fulfilling the productivity or the earned travel certificates. For questions, call 1-800-328-3236.

THREE WAYS
FOR ATTENDEES TO BOOK TRAVEL

Once you’ve registered your meeting or event and have a Meeting Event Code to share with your attendees, they can choose from three easy ways to book their travel.

ONLINE

Your attendees can book online at delta.com with your Meeting Event Code from anywhere in the world with no service fee. Share your code for an easy, convenient option. Even include up to nine travelers in a single reservation.

PHONE

Travelers who prefer to book by phone can contact Delta Reservations with their Meeting Event Code.

Delta Meeting Network Reservations
Monday – Friday, 7 AM – 7:30 PM CT
1-800-328-3236

TRAVEL AGENCY

Travel agencies may book and ticket via their GDS after receiving the Meeting Event Code. For more information, call your Delta Meeting Network Specialist.