

These comments are from a furloughed Delta pilot who attended a road show meeting conducted by Delta CEO Gerald Grinstein. The meetings are being held with all employee groups at all stations.

Subject: Grinstein Meeting at DFW To All:

The following is simply my view of the presentation that Gerald Grinstein made to the pilot group at DFW on 3/17/04.

First off, the man looks good for 71, he carries himself more like someone who is 10 years his junior. At no time during the 2-hour meeting did he dance around any of the questions, in fact he was refreshingly up front with some difficult topics. He started with the fact that he was not here to negotiate with us, and in fact he did not do that. Is what he did do was paint a picture of the current situation at Delta. Not any new revelations here, most of the stuff I had in fact heard before. His thoughts on where the industry as a whole is going were interesting. I think he's been around, very sharp whenever talking negatively about the previous/current management team; he always did so in a very professional manner. Also made a comment about trying to maintain/assemble a management team. The man also has a sense of humor and will use an occasional four-letter word. The following are the points that I remember from the meeting, I did not take notes, this is from memory so don't hold me to specifics.

In 5-6 years he thinks there will be 2 hub and spoke airlines around. One of them will probably be AA, he hopes that Delta is the other.

Consolidation will take place between the "Network" carriers.

DAL no longer has the ability to borrow money. Even if we could borrow money he would not want to assume more debt as our current debt is at a dangerous level.

Due to our inability to borrow we are no longer able to hedge fuel at a reasonable rate. Don't quote me but something along the lines of costing DAL \$130 million just to hedge now.

In the coming months our liquidity will start to dramatically decrease.

Pre-911 Delta was worth more than AA, now we are worth about the same as AirTran and Skywest! Acknowledged that this is management's fault for wasting away the best balance sheet of the "Network" carriers.

A question was asked in nature about our large number of RJ's in use and the fact that DAL is still going to lose \$400 million for the 1st quarter. He said that in 03' the RJ's were in fact profitable for DAL.

He thinks the future of DAL is with the 757/767 fleet. And in fact the future of hub and spoke airlines is going to be with larger aircraft, not the 100 seat market. Just my opinion in trying to read between the lines. With the growing of the LCC segment in the industry we will never be able to get our cost down close to SWA, AT or JBLU on the short haul markets. He did mention with the larger aircraft we could gain an advantage on the cost per seat mile.

Delta might get an 8-10% pricing premium over the LCC's, not the 20-30%??? we had in the past.

LCC's in combination with the internet pricing has changed the industry forever.

The traditional up-turn down-turn cycle will no longer exist. Not sure what he meant by that? I think that the profits in the good times will not be able to cover the losses in the bad times as they have before. That's a guess.

He said that he will take responsibility for hiring LEO and that it was not the right thing to do. He mentioned that in the future Mngt. Should come from within.

Said that he and Fred Reid had philosophical differences on how the airline should be run. I picked up another comment like that about Fred as well.

One pilot mentioned how bad our marketing dept. was. Mr. Grinstein said that he has looked at marketing and that the necessary changes are/will be made. Again, he didn't throw any stones at the marketing team, just indicated that changes would be made.

He is fundamentally against the airline within an airline concept. Wants more info. On Song before making a decision on it.

On his watch there will not be any Exec. Bonuses. Etc.

Mentioned something about some of the people leaving requested more \$\$ to stay, he refused, and said he wants people who want to work for Delta.

With pay concessions and work rules combined we will be looking at about 40% pay cut.

Does not have a problem with keeping Delta pilots the highest paid in the industry.

One pilot made the comment that even if we give the "30% plus" it won't do any good unless management has a clear plan. He replied that he is aware of that and cited US Airways; and then replied that we will see his plan in the future.

When asked why not accept the current position of the union and get the benefit of pay cuts now. He replied that Delta has suffered a heart attack and that aspirin will not fix it. DAL needs major repair work. If DAL cannot get cost in line before the next downturn we are in big trouble; in that case, a 15% pay cut would not be adequate.

Wanted to know if the union would go back to the saying of C01' "United plus" as he is more than willing to give us UAL plus 1% right now. That was actually a well-delivered joke on his part.

When asked what time period would they be looking at Bankruptcy? He replied that he would not tell us that but assured us that ALPA knows exactly when it is.

Said that management needs to be reduced in size.

Other work groups have had work rule, benefit changes that make them competitive with groups from other airlines and therefore they will not take pay cuts.

I'm sure I'm forgetting lots. I really did get the impression that he was not trying to sell anything and that he wanted the pilots to know what the company is facing. He approached everything with a very matter of fact attitude, not emotional at any time if someone threw a dagger at him. At the end of the presentation the number of pilots who spoke up and said that they felt better after hearing him speak surprised me. Certainly was a sobering meeting. He never made any guarantees that Delta will come out of this ok, only that he would "fight like hell to keep us out of bankruptcy".

Although I certainly did not agree with everything he said, I think that he will do everything he can for this company. If anyone has the opportunity to hear him I would strongly suggest attending one of his meetings. Don't let me or anyone else shape your decisions, stay informed and make your own. So from someone who has not had faith in either Management or ALPA.....I trust him.