DELTA AIR LINES INC /DE/

FORM 10-K
(Annual Report)

Filed 02/24/10 for the Period Ending 12/31/09

Address	HARTSFIELD ATLANTA INTL AIRPORT 1030 DELTA BLVD ATLANTA, GA 30354-1989
Telephone	4047152600
CIK	0000027904
Symbol	DAL
SIC Code	4512 - Air Transportation, Scheduled
Industry	Airline
Sector	Transportation
Fiscal Year	12/31

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-5424

DELTA AIR LINES, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**58-0218548** **(I.R.S. Employer Identification No.)**
Post Office Box 20706 **Atlanta, Georgia** **(Address of principal executive offices)**	**30320-6001** **(Zip Code)**

Registrant's telephone number, including area code: (404) 715-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2009 was approximately $4.5 billion.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the

Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☑ No ☐

On January 31, 2010, there were outstanding 785,464,490 shares of the registrant's common stock.

This document is also available on our website at http://www.delta.com/about_delta/investor_relations.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.

TABLE OF CONTENTS

Unless otherwise indicated, the terms “Delta,” “we,” “us,” and “our” refer to Delta Air Lines, Inc. and its subsidiaries.

Forward-Looking Information

Statements in this Form 10-K (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. For examples of such risks and uncertainties, please see the cautionary statements contained in “Risk Factors Relating to Delta” and “Risk Factors Relating to the Airline Industry” in “Item 1A. Risk Factors” of this Form 10-K. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

PART I

ITEM 1. BUSINESS

General

We provide scheduled air transportation for passengers and cargo throughout the United States and around the world. In October 2008, a wholly-owned subsidiary of ours merged with and into Northwest Airlines Corporation ("Northwest"). As a result of this merger, Northwest and its subsidiaries, including Northwest Airlines, Inc. ("NWA"), became our wholly-owned subsidiaries. On December 31, 2009, NWA merged with and into Delta, ending NWA's existence as a separate entity. We anticipate that we will complete the integration of NWA's operations into Delta during 2010.

We are incorporated under the laws of the State of Delaware. Our principal executive offices are located at Hartsfield-Jackson Atlanta International Airport in Atlanta, Georgia (the "Atlanta Airport"). Our telephone number is (404) 715-2600 and our Internet address is www.delta.com. Information contained on this website is not part of, and is not incorporated by reference in, this Form 10-K.

Financial Strategies

Complete the integration of Northwest . We believe the Northwest merger better positions us to manage through economic cycles and volatile fuel prices, invest in our fleet, improve services for customers and achieve our strategic objectives. We also believe the merger will generate approximately $2 billion in annual revenue and cost synergies by 2012 from more effective aircraft utilization, a more comprehensive and diversified route system and reduced overhead and improved operational efficiency.

Right-size our operations. In response to the global recession and high fuel prices, we reduced domestic and international capacity to better match capacity with demand. We have focused on removing the associated capacity-related costs, including aircraft fleet and staffing. To reduce fleet costs, we removed 18 mainline passenger aircraft from the fleet during 2009, retired our entire fleet of B-747-200F freighter aircraft during 2009 and plan to remove over 30 regional jets from our network beginning in mid-2009 and continuing through early 2011. We have reduced staffing primarily through voluntary reduction programs as well as normal attrition. At December 31, 2009, our total workforce was 4% lower than the combined workforce of Delta and NWA at December 31, 2008.

Improve our operating margins. We believe that the scope of our network, combined with investments we are making in our product and customer service, will enable us to generate a unit revenue premium to the industry and that our cost structure allows us to generate highly competitive unit costs, both of which provide the tools to improve our operating margins. By strengthening our network, entering into joint ventures and expanding our alliances, we believe we are better able to improve unit revenues. And while our consolidated non-fuel unit costs are the lowest among the major network carriers, we have additional improvement opportunities as we reduce costs associated with right-sizing our business, increase productivity and realize merger synergies.

Strengthen our balance sheet. We currently, and will continue to, prudently manage costs and free cash flow to conserve liquidity. We finished 2009 with $5.4 billion in unrestricted liquidity (consisting of cash, cash equivalents, short-term investments and undrawn revolving credit facility capacity). We have no immediate need for significant aircraft purchases and currently have limited aircraft capital expenditures planned for the next three years. We will continue to focus on cost discipline and cash flow generation toward our goal of further strengthening our balance sheet.

2010 Flight Plan

Providing a safe, secure operation is our first and most fundamental obligation to our customers and employees, as well as to the communities we serve. The key goals of our 2010 flight plan include (1) positioning Delta as the global airline of choice, (2) enhancing our customer service, (3) promoting positive employee relations, (4) building a diversified, profitable worldwide network and global alliance and (5) delivering industry-leading financial results.

Airline Operations

Our global route network gives us a presence in every major domestic and international market. Our route network is centered around the hub system we operate at airports in Atlanta, Cincinnati, Detroit, Memphis, Minneapolis/St. Paul, New York-JFK, Salt Lake City, Paris-Charles de Gaulle, Amsterdam and Tokyo-Narita. Each of these hub operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub to domestic and international cities and to other hubs. Our network is supported by a fleet of aircraft that is varied in terms of size and capabilities, giving us flexibility to adjust aircraft to the network.

Expanding our presence in New York City through increased focus on corporate customers, expanded and improved airport facilities and increased and expanded service into and out of New York City is a key component of our network strategy. For example, we continue to make investments in our international operations at New York-JFK and explore long-term options to upgrade the facility. In addition, in August 2009, we announced our intention to make New York's LaGuardia Airport a domestic hub through a slot transaction with US Airways. The agreement calls for US Airways to transfer 125 operating slot pairs to us at LaGuardia and for us to transfer 42 operating slot pairs to US Airways at Reagan National Airport in Washington, D.C. We also plan to swap gates at LaGuardia to consolidate all of our operations (including the Delta Shuttle) into an expanded main terminal facility with 11 additional gates. The United States Department of Transportation ("DOT") has issued a tentative order on the transaction that would require the divestiture of 20 slot pairs at LaGuardia and 14 slot pairs at Reagan National. We and US Airways are reviewing the tentative order to determine our next steps.

Other key characteristics of our route network include:

- our alliances with foreign airlines, including our membership in SkyTeam, a global airline alliance;
- our transatlantic joint venture with Air France KLM;
- our domestic alliances, including our marketing alliance with Alaska Airlines and Horizon Air, which we are enhancing to expand our west coast service; and
- agreements with multiple domestic regional carriers, which operate as Delta Connection, including our wholly-owned subsidiaries, Comair, Inc., Compass Airlines, Inc. and Mesaba Aviation, Inc.

International Alliances

We have bilateral and multilateral marketing alliances with foreign airlines to improve our access to international markets. These arrangements can include codesharing, reciprocal frequent flyer program benefits, shared or reciprocal access to passenger lounges, joint promotions, common use of airport gates and ticket counters, ticket office co-location and other marketing agreements. These alliances often present opportunities in other areas, such as airport ground handling arrangements and aircraft maintenance insourcing.

Our international codesharing agreements enable us to market and sell seats to an expanded number of international destinations. Under international codesharing arrangements, we and a foreign carrier each publish our respective airline designator codes on a single flight operation, thereby allowing us and the foreign carrier to offer joint service with one aircraft, rather than operating separate services with two aircraft. These arrangements typically allow us to sell seats on a foreign carrier's aircraft that are marketed under our designator code and permit the foreign airline to sell seats on our aircraft that are marketed under the foreign carrier's designator code.

We have international codeshare arrangements with Aeromexico, Air France, Alitalia, Avianca, China Airlines, China Southern, CSA Czech Airlines, KLM Royal Dutch Airlines, Korean Air, Malev Hungarian Airlines, Royal Air Maroc and Virgin Blue (and some affiliated carriers operating in conjunction with some of these airlines).

SkyTeam . In addition to our marketing alliance agreements with individual foreign airlines, we are a member of the SkyTeam global airline alliance. The other full members of SkyTeam are Aeroflot, Aeromexico, Air France, Alitalia, China Southern, CSA Czech Airlines, KLM and Korean Air. One goal of SkyTeam is to link the route networks of the member airlines, providing opportunities for increased connecting traffic while offering enhanced customer service through mutual codesharing arrangements, reciprocal frequent flyer and lounge programs and coordinated cargo operations.

We have received antitrust immunity from the DOT that enables us and our immunized alliance partners (Air France KLM, Alitalia, CSA Czech Airlines and Korean Air) to offer a more integrated route network and develop common sales, marketing and discount programs for customers. In July 2009, Delta and Virgin Blue International Airlines (VAustralia), Virgin Blue Airlines, Pacific Blue Airlines (Australia) and Pacific Blue Airlines (New Zealand) filed an application with the DOT for antitrust immunity.

Air France KLM joint venture . In addition to being members in SkyTeam with Air France and KLM, both of which are subsidiaries of the same holding company, we have a transatlantic joint venture agreement with Air France and KLM. This agreement provides for the sharing of revenues and costs on transatlantic routes, as well as coordinated pricing, scheduling, and product development on included routes. Pursuant to this joint venture, we and Air France KLM operate an extensive transatlantic network, primarily on routes between North America and Europe, and secondarily on routes between North America and Africa, the Middle East and India, and routes between Europe and Central America and several countries in northern South America.

Domestic Alliances

We have entered into a marketing alliance with Alaska and Horizon, which includes mutual codesharing and reciprocal frequent flyer and airport lounge access arrangements. In 2009, we enhanced our alliance agreement with Alaska and Horizon to provide for more extensive cooperation with respect to our west coast presence.

We also have frequent flyer and reciprocal lounge agreements with Hawaiian Airlines, and codesharing agreements with American Eagle Airlines (“American Eagle”), US Helicopter and Midwest Airlines. These marketing relationships are designed to permit the carriers to retain their separate identities and route networks while increasing the number of domestic and international connecting passengers using the carriers’ route networks.

Regional Carriers

We have air service agreements with multiple domestic regional air carriers that feed traffic to our route system by serving passengers primarily in small-and medium-sized cities. These arrangements enable us to increase the number of flights we have available in certain locations, to better match capacity with demand and to preserve our presence in smaller markets. Approximately 22% of our passenger revenue in 2009 related to flying by regional air carriers.

Through our regional carrier program, we have contractual arrangements with 10 regional carriers to operate regional jet and, in certain cases, turbo-prop aircraft using our “DL” designator code. In addition to our wholly-owned subsidiaries, Comair, Compass and Mesaba, we have contractual arrangements with Atlantic Southeast Airlines, Inc., a subsidiary of SkyWest, Inc. (“SkyWest”); SkyWest Airlines, Inc., a subsidiary of SkyWest; Chautauqua Airlines, Inc., a subsidiary of Republic Airways Holdings, Inc. (“Republic Holdings”); Shuttle America Corporation, a subsidiary of Republic Holdings; Freedom Airlines, Inc., a subsidiary of Mesa Air Group, Inc.; Pinnacle Airlines, Inc.; and American Eagle.

With the exception of American Eagle and a portion of SkyWest Airlines as described below, these agreements are capacity purchase arrangements, under which we control the scheduling, pricing, reservations, ticketing and seat inventories for the regional carriers’ flights operating under our “DL” designator code, and we are entitled to all ticket, cargo and mail revenues associated with these flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services. These capacity purchase agreements are long-term agreements, usually with initial terms of at least 10 years, which grant us the option to extend the initial term. Certain of these agreements provide us the right to terminate the entire agreement, or in some cases remove some of the aircraft from the scope of the agreement, for convenience at certain future dates.

Our arrangements with American Eagle, limited to certain flights operated to and from the Los Angeles International Airport, as well as a portion of the flights operated for us by SkyWest Airlines, are structured as revenue proration agreements. These proration agreements establish a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

Frequent Flyer Program

Our SkyMiles® frequent flyer program is designed to retain and increase traveler loyalty by offering incentives to customers to increase travel on Delta. The SkyMiles program allows program members to earn mileage for travel awards by flying on Delta, Delta's regional carriers and other participating airlines. Mileage credit may also be earned by using certain services offered by program participants, such as credit card companies, hotels, car rental agencies, and telecommunication services. In addition, individuals and companies may purchase mileage credits. We reserve the right to terminate the program with six months advance notice, and to change the program's terms and conditions at any time without notice.

SkyMiles program mileage credits can be redeemed for free or upgraded air travel on Delta and participating airlines, for membership in our Delta Sky Clubs® and for other program participant awards. Mileage credits are subject to certain transfer restrictions and travel awards are subject to capacity-controlled seating. Program accounts with no activity for 12 consecutive months after enrollment are deleted. Miles will not expire so long as, at least once every two years, the participant (1) takes a qualifying flight on Delta, a Delta Connection carrier or other participating airlines, (2) earns miles through one of our program participants, (3) buys miles from Delta or (4) redeems miles for any program award.

Cargo

Through the strength of our global network, our cargo operations are able to connect all of the world's major freight gateways. We generate cargo revenues in domestic and international markets primarily through the use of cargo space on regularly scheduled passenger aircraft. We are a member of SkyTeam Cargo, a global airline cargo alliance. The alliance, whose other members are Aeromexico Cargo, Air France Cargo, Alitalia Cargo, CSA Czech Airlines Cargo, KLM Cargo and Korean Air Cargo, offers a global network spanning six continents. This alliance offers cargo customers a consistent international product line, and the partners work to jointly improve their efficiency and effectiveness in the marketplace.

MRO

Our maintenance, repair and overhaul ("MRO") operations known as Delta TechOps is the largest airline MRO in North America. In addition to providing maintenance and engineering support for our fleet of approximately 800 aircraft, Delta TechOps serves more than 150 aviation and airline customers from around the world. Delta TechOps employs approximately 8,800 maintenance professionals and is one of the most experienced MRO providers in the world.

Fuel

Our results of operations are significantly impacted by changes in the price and availability of aircraft fuel. The following table shows our aircraft fuel consumption and costs for 2007 through 2009.

Year	Gallons Consumed (3) (Millions)	Cost (3)(4) (Millions)	Average Price Per Gallon (3)(4)	Percentage of Total Operating Expense (3)
2009 (1)	3,853	$8,291	$2.15	29%
2008 (2)	2,740	$8,686	$3.16	38% (5)
2007	2,534	$5,676	$2.24	31%

(1) Includes Northwest operations for the entire period.

(2) Includes Northwest operations for the period from October 30 to December 31, 2008.

(3) Includes the operations of our contract carriers under capacity purchase agreements.

(4) Net of fuel hedge (losses) gains under our fuel hedging program of $(1.4) billion, $(65) million and $51 million for 2009, 2008 and 2007, respectively.

(5) Total operating expense for 2008 reflects a $7.3 billion non-cash charge from an impairment of goodwill and other intangible assets and $1.1 billion in primarily non-cash merger-related charges. Including these charges, fuel costs accounted for 28% of total operating expense.

Our aircraft fuel purchase contracts do not provide material protection against price increases or assure the availability of our fuel supplies. We purchase most of our aircraft fuel under contracts that establish the price based on various market indices. We also purchase aircraft fuel on the spot market, from off-shore sources and under contracts that permit the refiners to set the price.

We use derivative instruments, which are comprised of crude oil, heating oil and jet fuel swap, collar and call option contracts, in an effort to manage our exposure to changes in aircraft fuel prices.

We are currently able to obtain adequate supplies of aircraft fuel, but it is impossible to predict the future availability or price of aircraft fuel. Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in government policy concerning aircraft fuel production, transportation or marketing, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events may result in fuel supply shortages and fuel price increases in the future.

Competition

We face significant competition with respect to routes, services and fares. Our domestic routes are subject to competition from both new and existing carriers, some of which have lower costs than we do and provide service at low fares to destinations served by us. In particular, we face significant competition at our hub airports in Atlanta, Cincinnati, Detroit, Memphis, Minneapolis/St. Paul, New York-JFK, Salt Lake City, Paris-Charles de Gaulle, Amsterdam and Tokyo-Narita either directly at those airports or from the hubs of other airlines that compete on a connecting basis. We also face competition in smaller to medium-sized markets from regional jet operators. Our ability to compete effectively depends, in significant part, on our ability to maintain a cost structure that is competitive with other carriers.

In addition, we compete with foreign carriers for U.S. passengers traveling to international destinations, as well as between foreign points. International marketing alliances formed by domestic and foreign carriers, including the Star Alliance (among United Air Lines, Continental Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have significantly increased competition in international markets. The adoption of liberalized Open Skies Aviation Agreements with an increasing number of countries around the world, including in particular the Open Skies Treaty with the Member States of the European Union, has accelerated this trend. Japan has reached agreement in principle with the United States on an open skies agreement, contingent upon the successful completion of DOT alliance approval for its carriers. Through marketing and codesharing arrangements with U.S. carriers, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities. Similarly, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities, through alliances with international carriers.

Regulatory Matters

The DOT and the Federal Aviation Administration (the “FAA”) exercise regulatory authority over air transportation in the U.S. The DOT has authority to issue certificates of public convenience and necessity required for airlines to provide domestic air transportation. An air carrier that the DOT finds fit to operate is given unrestricted authority to operate domestic air transportation (including the carriage of passengers and cargo). Except for constraints imposed by regulations regarding “Essential Air Services,” which are applicable to certain small communities, airlines may terminate service to a city without restriction.

The DOT has jurisdiction over certain economic and consumer protection matters, such as unfair or deceptive practices and methods of competition, advertising, denied boarding compensation, baggage liability and disabled passenger transportation. The DOT also has authority to review certain joint venture agreements between major carriers. The FAA has primary responsibility for matters relating to air carrier flight operations, including airline operating certificates, control of navigable air space, flight personnel, aircraft certification and maintenance and other matters affecting air safety.

Authority to operate international routes and international codesharing arrangements is regulated by the DOT and by the governments of the foreign countries involved. International certificate authorities are also subject to the approval of the U.S. President for conformance with national defense and foreign policy objectives.

The Transportation Security Administration and the U.S. Customs and Border Protection, each a division of the Department of Homeland Security, are responsible for certain civil aviation security matters, including passenger and baggage screening at U.S. airports and international passenger prescreening prior to entry into or departure from the U.S.

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over airline competition matters. The U.S. Postal Service has authority over certain aspects of the transportation of mail. Labor relations in the airline industry, as discussed below, are generally governed by the Railway Labor Act. Environmental matters are regulated by various federal, state, local and foreign governmental entities. Privacy of passenger and employee data is regulated by domestic and foreign laws and regulations.

Fares and Rates

Airlines set ticket prices in all domestic and most international city pairs without governmental regulation, and the industry is characterized by significant price competition. Certain international fares and rates are subject to the jurisdiction of the DOT and the governments of the foreign countries involved. Many of our tickets are sold by travel agents, and fares are subject to commissions, overrides and discounts paid to travel agents, brokers and wholesalers.

Route Authority

Our flight operations are authorized by certificates of public convenience and necessity and also by exemptions and limited-entry frequency awards issued by the DOT. The requisite approvals of other governments for international operations are controlled by bilateral agreements with, or permits or approvals issued by, foreign countries. Because international air transportation is governed by bilateral or other agreements between the U.S. and the foreign country or countries involved, changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of our international route authorities or otherwise affect our international operations. Bilateral agreements between the U.S. and various foreign countries served by us are subject to renegotiation from time to time. Notably, the U.S. and Japan have begun steps to revise their bilateral agreement.

Certain of our international route authorities are subject to periodic renewal requirements. We request extension of these authorities when and as appropriate. While the DOT usually renews temporary authorities on routes where the authorized carrier is providing a reasonable level of service, there is no assurance this practice will continue in general or with respect to a specific renewal. Dormant route authority may not be renewed in some cases, especially where another U.S. carrier indicates a willingness to provide service.

Airport Access

Operations at four major domestic airports and certain foreign airports served by us are regulated by governmental entities through allocations of "slots" or similar regulatory mechanisms which limit the rights of carriers to conduct operations at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the U.S., the FAA currently regulates the allocation of slots, slot exemptions, operating authorizations, or similar capacity allocation mechanisms at Reagan National in Washington, D.C., LaGuardia and JFK in New York, and Newark. Our operations at these airports generally require the allocation of slots or analogous regulatory authorities. Similarly, our operations at Tokyo's Narita Airport, London's Gatwick and Heathrow airports and other international airports are regulated by local slot coordinators pursuant to the International Air Transport Association's Worldwide Scheduling Guidelines and applicable local law. We recently filed an application with the DOT to offer customers nonstop service between Tokyo's Haneda Airport and Seattle, Detroit, Los Angeles and Honolulu. We currently have sufficient slots or analogous authorizations to operate our existing flights, and we have generally been able to obtain the rights to expand our operations and to change our schedules. There is no assurance, however, that we will be able to do so in the future because, among other reasons, such allocations are subject to changes in governmental policies.

Environmental Matters

Noise . The Airport Noise and Capacity Act of 1990 recognizes the rights of operators of airports with noise problems to implement local noise abatement programs so long as such programs do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. This statute generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if locally-imposed regulations become more restrictive or widespread.

Emissions . The U.S. Environmental Protection Agency (the "EPA") is authorized to regulate aircraft emissions and has historically implemented emissions control standards previously adopted by the International Civil Aviation Organization ("ICAO"). Our aircraft comply with the existing EPA standards as applicable by engine design date. ICAO has adopted additional aircraft engine emissions standards applicable to engines certified after December 31, 2007, but the EPA has not yet proposed a rule that incorporates these new ICAO standards.

Concern about climate change and greenhouse gases may result in additional regulation of aircraft emissions in the U.S. and abroad. As a result, we may become subject to taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions, which could result in taxation or permitting requirements from multiple jurisdictions for the same operations. Ongoing discussions between the United States and other nations, including the discussions that resulted in an accord reached at the United Nations Climate Change Conference 2009 in Copenhagen in December 2009, may lead to international treaties focusing on greenhouse gas emissions.

The European Union has adopted the most significant emissions regulatory system by publishing a directive requiring its member countries to implement regulations including aviation in the European Union's emissions trading system ("ETS"). Under these regulations, any airline with flights originating or landing in the European Union will be subject to the ETS and, beginning in 2012, may be required to purchase emissions allowances or credits if the airline exceeds the number of free credits allocated to it under the ETS. We expect that such a system would impose significant costs on our operations in the European Union. Under the ETS, each airline is required to file emissions plans with a specific member country. Prior to NWA ceasing existence as a separate entity, we filed emissions plans in Germany (with respect to Delta) and the Netherlands (with respect to NWA) under protest. The Air Transport Association and three U.S. carriers have filed an action in the United Kingdom challenging the legality of the ETS on various grounds; however, airlines will be required to comply with the ETS unless interim relief is granted.

Cap and trade restrictions have also been proposed in the United States. In addition, other legislative or regulatory action, including by the EPA, to regulate greenhouse gas emissions is possible. In particular, the EPA has found that greenhouse gases threaten the public health and welfare, which could result in regulation of greenhouse gas emissions from aircraft. In the event that legislation or regulation is enacted in the U.S. or in the event similar legislation or regulation is enacted in jurisdictions other than the European Union where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. At this time, we cannot predict whether any such legislation or regulation would apportion costs between one or more jurisdictions in which we operate flights. Under these systems, certain credits may be available to reduce the costs of permits in order to mitigate the impact of such regulations on consumers, but we cannot predict whether we or the airline industry in general will have access to offsets or credits. We are monitoring and evaluating the potential impact of such legislative and regulatory developments. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system.

We seek to minimize the impact of carbon emissions from our operations through reductions in our fuel consumption and other efforts. We have reduced the fuel needs of our aircraft fleet through the retirement and replacement of certain elements of our fleet and with newer, more fuel efficient aircraft. In addition, we have implemented fuel saving procedures in our flight and ground support operations that further reduce carbon emissions. We are also supporting efforts to develop alternative fuels and efforts to modernize the air traffic control system in the U.S., as part of our efforts to reduce our emissions and minimize our impact on the environment.

Other Environmental Matters . We have been identified by the EPA as a potentially responsible party (a "PRP") with respect to certain Superfund Sites, and have entered into consent decrees regarding some of these sites. Our alleged disposal volume at each of these sites is small when compared to the total contributions of all PRPs at each site. We are aware of soil and/or ground water contamination present on our current or former leaseholds at several domestic airports. To address this contamination, we have a program in place to investigate and, if appropriate, remediate these sites. Although the ultimate outcome of these matters cannot be predicted with certainty, management believes that the resolution of these matters will not have a material adverse effect on our consolidated financial statements.

We are also subject to various other federal, state and local laws governing environmental matters, including the management and disposal of chemicals, waste and hazardous materials, protection of surface and subsurface waters and regulation of air emissions and drinking water.

Civil Reserve Air Fleet Program

We participate in the Civil Reserve Air Fleet program (the "CRAF Program"), which permits the U.S. military to use the aircraft and crew resources of participating U.S. airlines during airlift emergencies, national emergencies or times of war. We have agreed to make available under the CRAF Program a portion of our international range aircraft from October 1, 2009 until September 30, 2010. As of October 1, 2009, the following numbers of our international range aircraft are available for CRAF activation:

Stage	Description of Event Leading to Activation	International Passenger Aircraft Allocated	Number of Aeromedical Aircraft Allocated	Total Aircraft by Stage
I	Minor Crisis	11	N/A	11
II	Major Theater Conflict	30	25	55
III	Total National Mobilization	137	33	170

The CRAF Program has only been activated twice, both times at the Stage I level, since it was created in 1951.

Employee Matters

Railway Labor Act

Our relations with labor unions in the U.S. are governed by the Railway Labor Act. Under the Railway Labor Act, a labor union seeking to represent an unrepresented craft or class of employees is required to file with the National Mediation Board (the "NMB") an application alleging a representation dispute, along with authorization cards signed by at least 35% of the employees in that craft or class. The NMB then investigates the dispute and, if it finds the labor union has obtained a sufficient number of authorization cards, conducts an election to determine whether to certify the labor union as the collective bargaining representative of that craft or class. Under the NMB's usual rules, a labor union will be certified as the representative of the employees in a craft or class only if more than 50% of those employees vote for union representation. A certified labor union then enters into negotiations toward a collective bargaining agreement with the employer.

Under the Railway Labor Act, a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. Either party may request that the NMB appoint a federal mediator to participate in the negotiations for a new or amended agreement. If no agreement is reached in mediation, the NMB may determine, at any time, that an impasse exists and offer binding arbitration. If either party rejects binding arbitration, a 30-day "cooling off" period begins. At the end of this 30-day period, the parties may engage in "self help," unless the U.S. President appoints a Presidential Emergency Board ("PEB") to investigate and report on the dispute. The appointment of a PEB maintains the "status quo" for an additional 60 days. If the parties do not reach agreement during this period, the parties may then engage in "self help." "Self help" includes, among other things, a strike by the union or the imposition of proposed changes to the collective bargaining agreement by the airline. Congress and the President have the authority to prevent "self help" by enacting legislation that, among other things, imposes a settlement on the parties.

Collective Bargaining

As of December 31, 2009, we had 81,106 full-time equivalent employees. Approximately 39% of these employees were represented by unions, including the following domestic employee groups.

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	10,790	ALPA	December 31, 2012
Delta Flight Superintendents (Dispatchers)	318	PAFCA	December 31, 2013
Pre-merger NWA Fleet Service, Passenger Service, and Office/Clerical	9,407	IAM	December 31, 2010
Pre-merger NWA Simulator Technicians	38	IAM	December 31, 2010
Pre-merger NWA Stock Clerks	242	IAM	December 31, 2010
Pre-merger NWA Flight Attendants	5,970	AFA-CWA	December 31, 2011
Comair Pilots	1,314	ALPA	March 2, 2011
Comair Maintenance Employees	400	IAM	December 31, 2010
Comair Flight Attendants	764	IBT	December 31, 2010
Compass Pilots	373	ALPA	April 10, 2013
Mesaba Pilots	1,019	ALPA	June 1, 2012
Mesaba Flight Attendants	623	AFA-CWA	May 31, 2012
Mesaba Mechanics and Related Employees	353	AMFA	May 31, 2012
Mesaba Dispatchers	28	TWU	May 31, 2012

Labor unions periodically engage in organizing efforts to represent various groups of our employees, including at our airline subsidiaries, that are not represented for collective bargaining purposes.

Integration of a number of the workgroups (including pilots and aircraft maintenance technicians) has been successfully completed. Completion of the integration of certain workgroups (including flight attendants, airport employees and reservations employees) will require the resolution of representation issues. We cannot predict when these representation issues will be resolved. However, as a result of our obtaining a single operating certificate from the FAA, completing the merger of the NWA reservations system into Delta's system, and the merger of NWA into Delta, we believe we can achieve many of the synergies of integrating the pre-merger Northwest operations into Delta's before the remaining employee representation issues are resolved.

Under procedures that have been utilized by the NMB, each labor union that represented U.S.-based employees at pre-merger Delta or NWA, as well as other groups of employees with a sufficient showing of interest, may invoke the NMB's jurisdiction to address representation issues arising from the merger. Once its jurisdiction is invoked, the NMB's rules call for it to first determine whether the airlines have combined or will combine to form a single carrier. On January 7, 2009, the NMB ruled that Delta and NWA constitute a single transportation system for representation purposes under the Railway Labor Act in response to applications filed by certain of the pre-merger unions at Delta and NWA.

The NMB has utilized certain procedures to address and resolve representation issues arising from airline mergers which generally have included the following:

- Where employees in the same craft or class at the two carriers are represented by the same union, that union will be certified to represent the combined group, without an election.

- Where employees in the same craft or class at the two carriers have different representation status—either they are represented by different unions or one group is represented by a union and the other is not—the NMB's rules provide for a representation election among the combined employee groups if the groups are "comparable" in size. In general, the NMB has considered two groups to be comparable in size if the smaller group is at least 35% of the combined group. If the representation election results in the combined group not being represented by a union, the collective bargaining agreement covering the group that had previously been unionized will terminate.
- If the two groups are not comparable in size, the smaller group will be folded into and have the same representation status as the larger group. Even where the two groups are not comparable in size, the smaller group can still obtain an election if, within 14 days after the NMB's single carrier determination with respect to that group, the smaller group submits a showing of interest from at least 35% of the combined group. The showing of interest can consist of authorization cards as well as the seniority list of the smaller group, if the smaller group had been represented by a union.

Based upon these procedures, representation and related issues have been resolved in U.S.-based workgroups represented by six of the eight labor unions at Delta and NWA pre-merger. The NMB recently issued a formal proposal to change the voting rules for representation elections in the airline industry to provide that a majority of votes cast (rather than a majority of votes eligible to be cast) is necessary to certify a union to represent a craft or class of employees. Concurrent with the NMB's proposal, the two remaining pre-merger NWA unions, the Association of Flight Attendants-CWA, which represented flight attendants at pre-merger NWA, and the International Association of Machinists, which represented various categories of ground employees at pre-merger NWA, withdrew applications that they had filed with the National Mediation Board to resolve post-merger representation issues at Delta. While it is unclear when representation issues will be resolved in those workgroups, we are proceeding with a substantial portion of our operational integration.

If a labor union is certified to represent a combined group post-merger, the terms and conditions of employment of the combined work group ultimately will be subject to negotiations toward a joint collective bargaining agreement. Completing joint collective bargaining agreements covering combined work groups that choose to be represented by a labor union could take significant time, which could delay or impede our ability to achieve targeted synergies from the merger.

With respect to integration of seniority lists, where the two employee groups in a craft or class have different representation status, federal law requires that seniority integration be governed by the procedures first issued by the Civil Aeronautics Board in the Allegheny-Mohawk merger—known as the Allegheny-Mohawk Labor Protective Provisions. In general, Allegheny-Mohawk Labor Protective Provisions require that seniority be integrated in a "fair and equitable" manner and that any disputes not resolved by negotiations may be submitted to binding arbitration by a neutral arbitrator. This requirement is consistent with the seniority protection policy that has been adopted by the Delta board of directors. Where both groups are represented by the same union prior to the merger, seniority integration is governed by the union's bylaws and policies. The integration of the seniority lists of the pilots of Delta and NWA as well as flight dispatchers, meteorologists and aircraft maintenance technicians and related Technical Operations employees have been resolved.

Executive Officers

Richard H. Anderson, Age 54 : Chief Executive Officer of Delta since September 1, 2007; Executive Vice President of UnitedHealth Group and President of its Commercial Services Group (December 2006—August 2007); Executive Vice President of UnitedHealth Group (November 2004—December 2006); Chief Executive Officer of Northwest (2001—November 2004).

Edward H. Bastian, Age 52 : President of Delta since September 1, 2007; President of Delta and Chief Executive Officer NWA (October 2008—December 2009); President and Chief Financial Officer of Delta (September 2007—October 2008); Executive Vice President and Chief Financial Officer of Delta (July 2005—September 2007); Chief Financial Officer, Acuity Brands (June 2005—July 2005); Senior Vice President—Finance and Controller of Delta (2000—April 2005); Vice President and Controller of Delta (1998—2000).

Michael J. Becker, Age 48 : Executive Vice President of Delta since October 2008; Executive Vice President of Delta and Chief Operating Officer NWA (October 2008—December 2009); Senior Vice President of Human Resources and Labor Relations of Northwest (May 2005—October 2008); Senior Vice President—Human Resources of Northwest (August 2001 to May 2005); Vice President—International of Northwest (2000—August 2001).

Michael H. Campbell, Age 61 : Executive Vice President—HR & Labor Relations of Delta since October 2008; Executive Vice President—HR, Labor & Communications of Delta (December 2007—October 2008); Executive Vice President—Human Resources and Labor Relations of Delta (July 2006—December 2007); Of Counsel, Ford & Harrison (January 2005—July 2006); Senior Vice President—Human Resources and Labor Relations, Continental Airlines, Inc. (1997—2004); Partner, Ford & Harrison (1978—1996).

Stephen E. Gorman, Age 54 : Executive Vice President and Chief Operating Officer of Delta since October 2008; Executive Vice President—Operations of Delta (December 2007-October 2008); President and Chief Executive Officer of Greyhound Lines, Inc. (June 2003—October 2007); President, North America and Executive Vice President Operations Support at Krispy Kreme Doughnuts, Inc. (August 2001—June 2003); Executive Vice President, Technical Operations and Flight Operations of Northwest (February 2001—August 2001), Senior Vice President, Technical Operations of Northwest (January 1999—February 2001), and Vice President, Engine Maintenance Operations of Northwest (April 1996—January 1999).

Glen W. Hauenstein, Age 49 : Executive Vice President—Network Planning and Revenue Management of Delta since April 2006; Executive Vice President and Chief of Network and Revenue Management of Delta (August 2005—April 2006); Vice General Director—Chief Commercial Officer and Chief Operating Officer of Alitalia (2003—2005); Senior Vice President—Network of Continental Airlines (2003); Senior Vice President—Scheduling of Continental Airlines (2001— 2003); Vice President Scheduling of Continental Airlines (1998—2001).

Hank Halter, Age 45 : Senior Vice President and Chief Financial Officer of Delta since October 2008; Senior Vice President—Finance and Controller of Delta (May 2005—October 2008); Vice President—Controller of Delta (March 2005—May 2005); Vice President—Assistant Controller of Delta (January 2002—March 2005); and Vice President—Finance—Operations of Delta (February 2000—December 2001); various finance leadership positions at Delta and American Airlines, Inc. (June 1993—February 2000).

Richard B. Hirst, Age 65 : Senior Vice President and General Counsel of Delta since October 2008; Senior Vice President—Corporate Affairs and General Counsel of Northwest (March 2008— October 2008); Executive Vice President and Chief Legal Officer of KB Home (March 2004— November 2006); Executive Vice President and General Counsel of Burger King Corporation (March 2001—June 2003); General Counsel of the Minnesota Twins (1999—2000); Senior Vice President—Corporate Affairs of Northwest (1994—1999); Senior Vice President—General Counsel of Northwest (1990—1994); Vice President—General Counsel and Secretary of Continental Airlines (1986—1990).

Additional Information

We make available free of charge on our website our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after these reports are filed with or furnished to the Securities and Exchange Commission. Information on our website is not incorporated into this Form 10-K or our other securities filings and is not a part of those filings.

ITEM 1A. RISK FACTORS

Risk Factors Relating to Delta

Our business and results of operations are dependent on the price and availability of aircraft fuel. High fuel costs or cost increases could have a materially adverse effect on our operating results. Likewise, significant disruptions in the supply of aircraft fuel would materially adversely affect our operations and operating results.

Our operating results are significantly impacted by changes in the price and availability of aircraft fuel. Fuel prices have increased substantially since the middle part of the last decade and spiked at record high levels in 2008 before falling dramatically during the latter part of 2008. In 2009, our average fuel price per gallon was $2.15. In 2008, our average fuel price per gallon was $3.16, a 41% increase from an average price of $2.24 in 2007, which in turn was significantly higher than fuel prices just a few years earlier. Fuel costs represented 29%, 38%, and 31% of our operating expense in 2009, 2008 and 2007, respectively. Total operating expense for 2008 reflects a $7.3 billion non-cash charge from an impairment of goodwill and other intangible assets and $1.1 billion in primarily non-cash merger-related charges. Including these charges, fuel costs accounted for 28% of total operating expense in 2008. Fuel costs have had a significant negative effect on our results of operations and financial condition.

Our ability to pass along the increased costs of fuel to our customers is limited by the competitive nature of the airline industry. We often have not been able to increase our fares to offset the effect of increased fuel costs in the past and we may not be able to do so in the future.

In addition, our aircraft fuel purchase contracts do not provide material protection against price increases or assure the availability of our fuel supplies. We purchase most of our aircraft fuel under contracts that establish the price based on various market indices. We also purchase aircraft fuel on the spot market, from offshore sources and under contracts that permit the refiners to set the price. In an effort to manage our exposure to changes in fuel prices, we use derivative instruments, which are comprised of crude oil, heating oil and jet fuel swap, collar and call option contracts, though we may not be able to successfully manage this exposure. Depending on the type of hedging instrument used, our ability to benefit from declines in fuel prices may be limited.

We are currently able to obtain adequate supplies of aircraft fuel, but it is impossible to predict the future availability or price of aircraft fuel. Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in governmental policy concerning aircraft fuel production, transportation or marketing, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events may result in additional fuel supply shortages and fuel price increases in the future. Additional increases in fuel costs or disruptions in fuel supplies could have additional negative effects on us.

The global economic recession has resulted in weaker demand for air travel and may create challenges for us that could have a material adverse effect on our business and results of operations.

As the effects of the global economic recession have been felt in our domestic and international markets, we have experienced significantly weaker demand for air travel. Our demand began to slow during the December 2008 quarter and global economic conditions in 2009 substantially reduced U.S. airline industry revenues in 2009 compared to 2008. As a result, we reduced our consolidated capacity by 6% in 2009 compared to the combined capacity of Delta and Northwest during 2008. Demand for air travel could remain weak if an economic recovery is slow or even fall further if a recession returns, and overall demand could fall lower than we are able prudently to reduce capacity. The weakness in the United States and international economies is having a significant negative impact on our results of operations and could continue to have a significant negative impact on our future results of operations.

The global financial crisis may have an impact on our business and financial condition in ways that we currently cannot predict.

The credit crisis and related turmoil in the global financial system has had and may continue to have an impact on our business and our financial condition. In particular, the financial crisis and economic downturn resulted in broadly lower investment asset returns and values, including in the defined benefit pension plans that we sponsor for eligible employees and retirees. As of December 31, 2009, the defined benefit pension plans had an estimated benefit obligation of approximately $17.0 billion and were funded through assets with a value of approximately $7.6 billion. We estimate that our funding requirements for our defined benefit pension plans, which are governed by ERISA and have been frozen for future accruals, are approximately $720 million in 2010. The significant level of required funding is due primarily to the decline in the investment markets in 2008, which negatively affected the value of our pension assets. Estimates of pension plan funding requirements can vary materially from actual funding requirements because the estimates are based on various assumptions concerning factors outside our control, including, among other things, the market performance of assets; statutory requirements; and demographic data for participants, including the number of participants and the rate of participant attrition. Results that vary significantly from our assumptions could have a material impact on our future funding obligations.

Our obligation to post collateral in connection with our fuel hedge contracts may have a substantial impact on our short-term liquidity.

Under fuel hedge contracts that we may enter into from time to time, counterparties to those contracts may require us to fund the margin associated with any loss position on the contracts. For example, at December 31, 2008, our counterparties required us to fund $1.2 billion of fuel hedge margin. However, at December 31, 2009, counterparties were required to fund us a net $10 million. If fuel prices fall significantly below the levels at the time we enter into hedging contracts, we may be required to post a significant amount of collateral, which could have an impact on the level of our unrestricted cash and cash equivalents and short-term investments.

Our substantial indebtedness may limit our financial and operating activities and may adversely affect our ability to incur additional debt to fund future needs.

We have substantial indebtedness, which could:

- require us to dedicate a substantial portion of cash flow from operations to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations and future business opportunities;
- make it more difficult for us to satisfy our payment and other obligations under our indebtedness;
- limit our ability to borrow additional money for working capital, restructurings, capital expenditures, research and development, investments, acquisitions or other purposes, if needed, and increasing the cost of any of these borrowings;
- make us more vulnerable to economic downturns, adverse industry conditions or catastrophic external events;
- limit our ability to withstand competitive pressures;
- reduce our flexibility in planning for or responding to changing business and economic conditions; and/or
- limit our flexibility in responding to changing business and economic conditions, including increased competition and demand for new services, placing us at a disadvantage when compared to our competitors that have less debt, and making us more vulnerable than our competitors who have less debt to a downturn in our business, industry or the economy in general.

In addition, a substantial level of indebtedness, particularly because substantially all of our assets are currently subject to liens, could limit our ability to obtain additional financing on acceptable terms or at all for working capital, capital expenditures and general corporate purposes. We have historically had substantial liquidity needs in the operation of our business. These liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control.

Agreements governing our debt, including credit agreements and indentures, include financial and other covenants that impose restrictions on our financial and business operations.

Our credit facilities and indentures for secured notes have various financial and other covenants that require us to maintain, depending on the particular agreement, minimum fixed charge coverage ratios, minimum unrestricted cash reserves and/or minimum collateral coverage ratios. The value of the collateral that has been pledged in each facility may change over time, including due to factors that are not under our control, resulting in a situation where we may not be able to maintain the collateral coverage ratio. In addition, the credit facilities and indentures contain other negative covenants customary for such financings. If we fail to comply with these covenants and are unable to obtain a waiver or amendment, an event of default would result. These covenants are subject to important exceptions and qualifications.

The credit facilities and indentures also contain other events of default customary for such financings. If an event of default were to occur, the lenders or the trustee could, among other things, declare outstanding amounts due and payable, and our cash may become restricted. We cannot provide assurance that we would have sufficient liquidity to repay or refinance the borrowings or notes under any of the credit facilities if such amounts were accelerated upon an event of default. In addition, an event of default or declaration of acceleration under any of the credit facilities or the indentures could also result in an event of default under other of our financing agreements.

Employee strikes and other labor-related disruptions may adversely affect our operations.

Our business is labor intensive, utilizing large numbers of pilots, flight attendants and other personnel. As of December 31, 2009, approximately 39% of our workforce was unionized. Strikes or labor disputes with our unionized employees may adversely affect our ability to conduct business. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. The Railway Labor Act generally prohibits strikes or other types of self-help actions both before and after a collective bargaining agreement becomes amendable, unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted.

In addition, if we or our affiliates are unable to reach agreement with any of our unionized work groups on future negotiations regarding the terms of their collective bargaining agreements or if additional segments of our workforce become unionized, we may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act. Likewise, if third party regional carriers with whom we have contract carrier agreements are unable to reach agreement with their unionized work groups on current or future negotiations regarding the terms of their collective bargaining agreements, those carriers may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act, which could have a negative impact on our operations.

The ability to realize fully the anticipated benefits of our merger with Northwest may depend on the successful integration of the businesses of Delta and Northwest.

Our merger with Northwest involved the combination of two companies which operated as independent public companies prior to the merger. We are devoting significant attention and resources to integrating our business practices and operations in order to achieve the benefits of the merger, including expected synergies. If we are unable to integrate our business practices and operations in a manner that allows us to achieve the anticipated revenue and cost synergies, or if achievement of such synergies takes longer or costs more than expected, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. In addition, it is possible that the integration process could result in the loss of key employees, diversion of management’s attention, the disruption or interruption of, or the loss of momentum in our ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers and employees or our ability to achieve the anticipated benefits of the merger, or could reduce our earnings or otherwise adversely affect our business and financial results. We expect to incur total cash costs of approximately $500 million over approximately three years to integrate the two airlines.

Completion of the integration of the Delta and NWA workforces may present significant challenges.

The successful integration of the pre-merger Northwest operations into Delta and achievement of the anticipated benefits of the combination depend significantly on integrating the pre-merger Delta and NWA employee groups and on maintaining productive employee relations. While integration of a number of the workgroups (including pilots and aircraft maintenance technicians) has been successfully completed, completion of the integration of certain workgroups (including flight attendants, airport employees and reservations employees) of the two pre-merger airlines will require the resolution of potentially difficult issues, including but not limited to the process and timing for determining whether the combined post-merger workgroups wish to have union representation. Unexpected delay, expense or other challenges to integrating the workforces could impact the expected synergies from the merger and affect our financial performance.

Interruptions or disruptions in service at one of our hub airports could have a material adverse impact on our operations.

Our business is heavily dependent on our operations at the Atlanta airport and at our other hub airports in Cincinnati, Detroit, Memphis, Minneapolis/St. Paul, New York-JFK, Salt Lake City, Paris-Charles de Gaulle, Amsterdam and Tokyo-Narita. Each of these hub operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub to other major cities and to other Delta hubs. A significant interruption or disruption in service at the Atlanta airport or at one of our other hubs could have a serious impact on our business, financial condition and results of operations.

We are increasingly dependent on technology in our operations, and if our technology fails or we are unable to continue to invest in new technology or integrate the systems and technologies of Delta and Northwest, our business may be adversely affected.

We have become increasingly dependent on technology initiatives to reduce costs and to enhance customer service in order to compete in the current business environment. For example, we have made significant investments in delta.com, check-in kiosks and related initiatives. The performance and reliability of the technology are critical to our ability to attract and retain customers and our ability to compete effectively. These initiatives will continue to require significant capital investments in our technology infrastructure. If we are unable to make these investments, our business and operations could be negatively affected. In addition, we may face challenges associated with integrating complex systems and technologies that supported the separate operations of Delta and Northwest. If we are unable to manage these challenges effectively, our business and results of operations could be negatively affected.

In addition, any internal technology error or failure or large scale external interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network. Any individual, sustained or repeated failure of technology could impact our customer service and result in increased costs. Our technology systems and related data may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. While we have in place, and continue to invest in, technology security initiatives and disaster recovery plans, these measures may not be adequate or implemented properly to prevent a business disruption and its adverse financial consequences to our business.

If we experience losses of senior management personnel and other key employees, our operating results could be adversely affected.

We are dependent on the experience and industry knowledge of our officers and other key employees to execute our business plans. If we experience a substantial turnover in our leadership and other key employees, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified executives as needed in the future.

Our credit card processors have the ability to take significant holdbacks in certain circumstances. The initiation of such holdbacks likely would have a material adverse effect on our liquidity.

Most of the tickets we sell are paid for by customers who use credit cards. Our credit card processing agreements provide that no holdback of receivables or reserve is required except in certain circumstances, including if we do not maintain a required level of unrestricted cash. If circumstances were to occur that would allow American Express or our Visa/MasterCard processor to initiate a holdback, the negative impact on our liquidity likely would be material.

We are at risk of losses and adverse publicity stemming from any accident involving our aircraft.

An aircraft crash or other accident could expose us to significant tort liability. The insurance we carry to cover damages arising from any future accidents may be inadequate. In the event that the insurance is not adequate, we may be forced to bear substantial losses from an accident. In addition, any accident involving an aircraft that we operate or an aircraft that is operated by an airline that is one of our codeshare partners could create a public perception that our aircraft are not safe or reliable, which could harm our reputation, result in air travelers being reluctant to fly on our aircraft and harm our business.

Our ability to use net operating loss carryforwards to offset future taxable income for U.S. federal income tax purposes is subject to limitation.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs"), to offset future taxable income. In general, an ownership change occurs if the aggregate stock ownership of certain stockholders (generally 5% shareholders, applying certain look-through rules) increases by more than 50 percentage points over such stockholders' lowest percentage ownership during the testing period (generally three years).

As of December 31, 2009, Delta reported a consolidated federal and state NOL carryforward of approximately $17.3 billion. Both Delta and Northwest experienced an ownership change in 2007 as a result of their respective plans of reorganization under Chapter 11 of the U.S. Bankruptcy Code. As a result of the merger, Northwest experienced a subsequent ownership change. Delta also experienced a subsequent ownership change on December 17, 2008 as a result of the merger, the issuance of equity to employees in connection with the merger and other transactions involving the sale of our common stock within the testing period.

The Delta and Northwest ownership changes resulting from the merger could limit the ability to utilize pre-change NOLs that were not subject to limitation, and could further limit the ability to utilize NOLs that were already subject to limitation. Limitations imposed on the ability to use NOLs to offset future taxable income could cause U.S. federal income taxes to be paid earlier than otherwise would be paid if such limitations were not in effect and could cause such NOLs to expire unused, in each case reducing or eliminating the benefit of such NOLs. Similar rules and limitations may apply for state income tax purposes. NOLs generated subsequent to December 17, 2008 are not limited.

Our merger with Northwest affects the comparability of our historical financial results.

On October 29, 2008, a subsidiary of Delta merged with and into Northwest. Our historical financial results under GAAP include the results of Northwest for periods after October 29, 2008, but not for periods before October 29, 2008. Accordingly, while our financial results for the year ended December 31, 2009 include the results of Northwest for the entire period, our financial results for the year ended December 31, 2008 include the results of Northwest only for the period from October 30 to December 31, 2008. This complicates your ability to compare our results of operations and financial condition for periods that include Northwest's results with periods that do not.

Risk Factors Relating to the Airline Industry

The airline industry is highly competitive and, if we cannot successfully compete in the marketplace, our business, financial condition and operating results will be materially adversely affected.

We face significant competition with respect to routes, services and fares. Our domestic routes are subject to competition from both new and established carriers, some of which have lower costs than we do and provide service at low fares to destinations served by us. In particular, we face significant competition at our hub airports in Atlanta, Cincinnati, Detroit, Memphis, Minneapolis/St. Paul, New York-JFK, Salt Lake City, Paris-Charles de Gaulle, Amsterdam and Tokyo-Narita either directly at those airports or at the hubs of other airlines that are located in close proximity to our hubs. We also face competition in smaller to medium-sized markets from regional jet operators.

Low-cost carriers, including Southwest, AirTran and JetBlue, have placed significant competitive pressure on us in the United States and on other network carriers in the domestic market. In addition, other network carriers have also significantly reduced their costs over the last several years. Our ability to compete effectively depends, in part, on our ability to maintain a competitive cost structure. If we cannot maintain our costs at a competitive level, then our business, financial condition and operating results could be materially adversely affected. In light of increased jet fuel costs and other issues in recent years, we expect consolidation to occur in the airline industry. As a result of consolidation, we may face significant competition from larger carriers that may be able to generate higher amounts of revenue and compete more efficiently.

In addition, we compete with foreign carriers, both on interior U.S. routes, due to marketing and codesharing arrangements, and in international markets. Through marketing and codesharing arrangements with U.S. carriers, foreign carriers have obtained access to interior U.S. passenger traffic. Similarly, U.S. carriers have increased their ability to sell international transportation, such as transatlantic services to and beyond European cities, through alliances with international carriers. International marketing alliances formed by domestic and foreign carriers, including the Star Alliance (among United Airlines, Continental, Lufthansa German Airlines and others) and the oneworld Alliance (among American Airlines, British Airways and others) have also significantly increased competition in international markets. The adoption of liberalized Open Skies Aviation Agreements with an increasing number of countries around the world, including in particular the Open Skies agreement between the United States and the Member States of the European Union, has accelerated this trend. Similarly, the recent Open Skies agreement between the United States and Japan could significantly increase competition among carriers serving those markets.

The rapid spread of contagious illnesses can have a material adverse effect on our business and results of operations.

The rapid spread of a contagious illness, such as the H1N1 flu virus, can have a material adverse effect on the demand for worldwide air travel and therefore have a material adverse effect on our business and results of operations. Acceleration of the spread of H1N1 during the flu season in the Northern Hemisphere could have a significant adverse impact on the demand for air travel and as a result our financial results in addition to the impact that we experienced during the spring of 2009. Moreover, our operations could be negatively affected if employees are quarantined as the result of exposure to a contagious illness. Similarly, travel restrictions or operational problems resulting from the rapid spread of contagious illnesses in any part of the world in which we operate may have a materially adverse impact on our business and results of operations.

Terrorist attacks or international hostilities may adversely affect our business, financial condition and operating results.

The terrorist attacks of September 11, 2001 caused fundamental and permanent changes in the airline industry, including substantial revenue declines and cost increases, which resulted in industry-wide liquidity issues. Additional terrorist attacks or fear of such attacks, even if not made directly on the airline industry, could negatively affect us and the airline industry. The potential negative effects include increased security, insurance and other costs and lost revenue from increased ticket refunds and decreased ticket sales. Our financial resources might not be sufficient to absorb the adverse effects of any further terrorist attacks or other international hostilities involving the United States.

The airline industry is subject to extensive government regulation, and new regulations may increase our operating costs.

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures. We expect to continue incurring expenses to comply with the FAA's regulations.

Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations or reduce revenues. For example, the Aviation and Transportation Security Act, which became law in November 2001, mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per ticket tax on passengers and a tax on airlines. The federal government has on several occasions proposed a significant increase in the per ticket tax. The proposed ticket tax increase, if implemented, could negatively impact our results of operations.

Proposals to address congestion issues at certain airports or in certain airspace, particularly in the Northeast United States, have included concepts such as "congestion-based" landing fees, "slot auctions" or other alternatives that could impose a significant cost on the airlines operating in those airports or airspace and impact the ability of those airlines to respond to competitive actions by other airlines. Furthermore, events related to extreme weather delays have caused Congress and the DOT to consider proposals related to airlines' handling of lengthy flight delays during extreme weather conditions. The recent enactment of such a regulation by the DOT could have a negative impact on our operations in certain circumstances.

Future regulatory action concerning climate change and aircraft emissions could have a significant effect on the airline industry. For example, the European Commission has adopted an emissions trading scheme applicable to all flights operating in the European Union, including flights to and from the United States. We expect that such a system will impose significant costs on our operations in the European Union. Other laws or regulations such as this emissions trading scheme or other U.S. or foreign governmental actions may adversely affect our operations and financial results, either through direct costs in our operations or through increases in costs for jet fuel that could result from jet fuel suppliers passing on increased costs that they incur under such a system.

We and other U.S. carriers are subject to domestic and foreign laws regarding privacy of passenger and employee data that are not consistent in all countries in which we operate. In addition to the heightened level of concern regarding privacy of passenger data in the United States, certain European government agencies are initiating inquiries into airline privacy practices. Compliance with these regulatory regimes is expected to result in additional operating costs and could impact our operations and any future expansion.

Our insurance costs have increased substantially as a result of the September 11, 2001 terrorist attacks, and further increases in insurance costs or reductions in coverage could have a material adverse impact on our business and operating results.

As a result of the terrorist attacks on September 11, 2001, aviation insurers significantly reduced the maximum amount of insurance coverage available to commercial air carriers for liability to persons (other than employees or passengers) for claims resulting from acts of terrorism, war or similar events. At the same time, aviation insurers significantly increased the premiums for such coverage and for aviation insurance in general. Since September 24, 2001, the U.S. government has been providing U.S. airlines with war-risk insurance to cover losses, including those resulting from terrorism, to passengers, third parties (ground damage) and the aircraft hull. The coverage currently extends through August 31, 2010. The withdrawal of government support of airline war-risk insurance would require us to obtain war-risk insurance coverage commercially, if available. Such commercial insurance could have substantially less desirable coverage than that currently provided by the U.S. government, may not be adequate to protect our risk of loss from future acts of terrorism, may result in a material increase to our operating expenses or may not be obtainable at all, resulting in an interruption to our operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Flight Equipment

Our active aircraft fleet at December 31, 2009 is summarized in the following table:

Aircraft Type	Current Fleet: Owned	Capital Lease	Operating Lease	Total	Average Age
Passenger Aircraft:					
B-737-700	10	—	—	10	0.9
B-737-800	71	—	—	71	9.2
B-747-400	4	—	12	16	16.1
B-757-200	89	36	40	165	16.9
B-757-300	16	—	—	16	6.8
B-767-300	4	—	10	14	18.4
B-767-300ER	47	—	9	56	13.6
B-767-400ER	21	—	—	21	8.8
B-777-200ER	8	—	—	8	9.9
B-777-200LR	8	—	—	8	1.0
A319-100	55	—	2	57	7.9
A320-200	41	—	28	69	14.8
A330-200	11	—	—	11	4.8
A330-300	20	—	—	20	4.3
MD-88	62	44	10	116	19.5
MD-90	16	—	—	16	14.1
DC-9	66	—	—	66	37.9
CRJ-100	21	13	36	70	12.4
CRJ-200	2	—	25	27	7.1
CRJ-700	15	—	—	15	6.1
CRJ-900	54	—	—	54	1.9
SAAB 340B+	—	—	41	41	11.9
EMB 175	36	—	—	36	1.7
Total	677	93	213	983	13.6

The above table:

- Excludes all grounded aircraft, including 10 B-757-200, 10 B-747-200F, eight SAAB 340B+, four B-767-300, four CRJ-100, two CRJ-200, one A330-300, one B-767-300ER, one DC-9 and one MD-88 aircraft, which were grounded during the year ended December 31, 2009; and
- Excludes aircraft flown by our third party contract carriers. For additional information, see Note 8 of the Notes to the Consolidated Financial Statements.

Aircraft Commitments

Future purchase commitments for aircraft as of December 31, 2009 are estimated to total approximately $1.1 billion for the year ended December 31, 2010. Approximately $800 million of the $1.1 billion is associated with the purchase of 20 B-737-800 aircraft for which we have entered into definitive agreements to sell to third parties immediately following delivery of those aircraft to us by the manufacturer. We have not received any notice that these parties have defaulted on their purchase obligations. The remaining commitments relate to the purchase of two B-777-200LR aircraft, two B-737-800 aircraft and 11 previously owned MD-90 aircraft. We have no aircraft purchase commitments after December 31, 2010.

As of December 31, 2009, we have financing commitments from third parties or, with respect to 20 of the 22 B-737-800 aircraft referred to above, definitive agreements to sell, all aircraft subject to purchase commitments, except for nine of the 11 previously owned MD-90 aircraft. Under these financing commitments, third parties have agreed to finance on a long-term basis a substantial portion of the purchase price of the covered aircraft.

Our aircraft purchase commitments described above do not include our orders for:

- 18 B-787-8 aircraft. The Boeing Company ("Boeing") has informed us that Boeing will be unable to meet the contractual delivery schedule for these aircraft. We are in discussions with Boeing regarding this situation.
- five A319-100 aircraft and two A320-200 aircraft. We have the right to cancel these orders.

Aircraft on Option

Our options to purchase additional aircraft as of December 31, 2009 are shown in the following table:

	Delivery in Calendar Years Ending						
Aircraft on Option (1)	**2010**	**2011**	**2012**	**2013**	**After 2013**	**Total**	**Rolling Options**
B-737-800	—	20	24	16	—	60	102
B-767-300ER	—	—	—	1	4	5	—
B-767-400	—	1	1	2	7	11	—
B-777-200LR	—	2	6	4	8	20	10
EMB 175	—	4	18	14	—	36	—
Total	—	27	49	37	19	132	112

(1) Aircraft options have scheduled delivery slots, while rolling options replace options and are assigned delivery slots as options expire or are exercised.

Ground Facilities

We lease most of the land and buildings that we occupy. Our largest aircraft maintenance base, various computer, cargo, flight kitchen and training facilities and most of our principal offices are located at or near the Atlanta airport, on land leased from the City of Atlanta generally under long-term leases. We own our Atlanta reservations center, other real property in Atlanta and the former NWA headquarters building and flight training buildings, which are located near the Minneapolis/St. Paul International Airport. Other owned facilities include reservations centers in Tampa, Florida, Minot, North Dakota and Chisholm, Minnesota, and a data processing center in Eagan, Minnesota. We also own property in Tokyo, including a 1.3-acre site in downtown Tokyo and a 33-acre land parcel, 512-room hotel and flight kitchen located near Tokyo's Narita International Airport.

We lease ticket counter and other terminal space, operating areas and air cargo facilities in most of the airports that we serve. At most airports, we have entered into use agreements which provide for the non-exclusive use of runways, taxiways, and other improvements and facilities; landing fees under these agreements normally are based on the number of landings and weight of aircraft. These leases and use agreements generally run for periods of less than one year to 30 years or more, and often contain provisions for periodic adjustments of lease rates, landing fees and other charges applicable under that type of agreement. Examples of major leases and use agreements at hub or other significant airports that will expire in the next few years include, among others: (1) our Salt Lake City International Airport use and lease agreement, which expires in 2010; and (2) our Memphis International Airport use and lease agreement, which expires in 2010. We also lease aircraft maintenance facilities and air cargo facilities at certain airports, including, among others: (1) our main Atlanta maintenance base; (2) our Atlanta air cargo facilities and our hangar and air cargo facilities at the Cincinnati/Northern Kentucky International Airport, Salt Lake City International Airport, Detroit Metropolitan International Airport, Minneapolis/St. Paul International Airport and Seattle-Tacoma International Airport. Our aircraft maintenance facility leases generally require us to pay the cost of providing, operating and maintaining such facilities, including, in some cases, amounts necessary to pay debt service on special facility bonds issued to finance their construction. We also lease marketing, ticketing and reservations offices in certain locations for varying terms.

In recent years, some airports have increased or sought to increase the rates charged to airlines to levels that we believe are unreasonable. The extent to which such charges are limited by statute or regulation and the ability of airlines to contest such charges has been subject to litigation and to administrative proceedings before the DOT. If the limitations on such charges are relaxed, or the ability of airlines to challenge such proposed rate increases is restricted, the rates charged by airports to airlines may increase substantially.

The City of Atlanta is currently implementing portions of a 10 year capital improvement program (the "CIP") at the Atlanta airport. Implementation of the CIP should increase the number of flights that may operate at the airport and reduce flight delays. The CIP includes, among other things, a 9,000 foot full-service runway that opened in May 2006, related airfield improvements, additional terminal and gate capacity, new cargo and other support facilities and roadway and other infrastructure improvements. The CIP will not be complete until at least 2012, with individual projects scheduled to be constructed at different times. A combination of federal grants, passenger facility charge revenues, increased user rentals and fees, and other airport funds are expected to be used to pay CIP costs directly and through the payment of debt service on bonds. Certain elements of the CIP have been delayed, some may be eliminated and there is no assurance that the CIP will be fully implemented. Failure to implement certain portions of the CIP in a timely manner could adversely impact our operations at the Atlanta airport.

ITEM 3. LEGAL PROCEEDINGS

First Bag Fee Antitrust Litigation

In May, June and July, 2009, a number of purported class action antitrust lawsuits were filed in the U.S. District Courts for the Northern District of Georgia, the Middle District of Florida, and the District of Nevada, against Delta and AirTran Airways ("AirTran").

In these cases, the plaintiffs originally alleged that Delta and AirTran engaged in collusive behavior in violation of Section 1 of the Sherman Act in November 2008 based upon certain public statements made in October 2008 by AirTran's CEO at an analyst conference concerning fees for the first checked bag, Delta's imposition of a fee for the first checked bag on November 4, 2008 and AirTran's imposition of a similar fee on November 12, 2008. The plaintiffs sought to assert claims on behalf of an alleged class consisting of passengers who paid the fist bag fee after December 5, 2008 and seek injunctive relief and unspecified treble damages. All of these cases have been consolidated for pre-trial proceedings in the Northern District of Georgia by the Multi-District Litigation ("MDL") Panel.

In February 2010, the plaintiffs in the MDL proceeding filed a Consolidated Amended Class Action Complaint which substantially expanded the scope of the original complaint. In the consolidated amended complaint, the plaintiffs add new allegations concerning alleged signaling by both Delta and AirTran based upon statements made to the investment community by both carriers relating to industry capacity levels during 2008-2009. The plaintiffs also add a new cause of action against Delta alleging attempted monopolization in violation of Sherman Act § 2, paralleling a claim previously asserted against AirTran but not Delta.

We believe the claims in these cases are without merit and are vigorously defending these lawsuits.

Chapter 11 Proceedings

On September 14, 2005, Delta and substantially all of its subsidiaries (the "Delta Debtors") filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court. On April 25, 2007, the Bankruptcy Court entered an order approving and confirming the Plan of Reorganization and the Plan of Reorganization became effective, allowing the Delta Debtors to emerge from bankruptcy on April 30, 2007. The reorganization cases were jointly administered under the caption "In re Delta Air Lines, Inc., et al., Case No. 05-17923-ASH." As of the date of the Chapter 11 filing, then pending litigation was generally stayed, and absent further order of the Bankruptcy Court, most parties may not take any action to recover on pre-petition claims against the Delta Debtors.

Delta Family-Care Savings Plan Litigation

On March 16, 2005, a retired Delta employee filed an amended class action complaint in the U.S. District Court for the Northern District of Georgia against Delta, and certain current and former Delta officers and directors on behalf of himself and other participants in the Delta Family-Care Savings Plan ("Savings Plan"). The amended complaint alleges that the defendants were fiduciaries of the Savings Plan and, as such, breached their fiduciary duties under ERISA to the plaintiff class by (1) allowing class members to direct their contributions under the Savings Plan to a fund invested in Delta common stock; and (2) continuing to hold Delta's contributions to the Savings Plan in Delta's common and preferred stock. The amended complaint seeks damages unspecified in amount, but equal to the total loss of value in the participants' accounts from September 2000 through September 2004 from the investment in Delta stock. Defendants deny that there was any breach of fiduciary duty. The District Court stayed the action against Delta due to Delta's Chapter 11 proceedings and granted a motion to dismiss filed by the individual defendants. The Bankruptcy Court has ruled that a class claim filed against Delta in its Chapter 11 proceedings will be subordinated to any claim related to equity interests in Delta, which did not receive any distribution pursuant to the Plan of Reorganization. The plaintiff has appealed this order.

Canadian Passenger Surcharge Antitrust Litigation

On July 31, 2009, two parallel putative class actions were filed against a number of Canadian, Asian, European, and U.S. carriers (including Delta) in the Ontario Superior Court of Justice. Both allege that the defendants colluded to fix the price of passenger surcharges, in Canada-Asia and Canada-Europe markets respectively. There are no allegations in the complaints of any specific act by Delta in furtherance of either conspiracy. The complaints seek damages in excess of $100 million. We believe the allegations against Delta are without merit and intend to vigorously defend these cases.

***

For a discussion of certain environmental matters, see "Business—Environmental Matters" in Item 1.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of our security holders during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the New York Stock Exchange. The following table sets forth for the periods indicated, the highest and lowest sales price for our common stock as reported on the NYSE.

	Common Stock	
	High	Low
Fiscal 2008		
First Quarter	$18.99	$7.94
Second Quarter	$10.89	$4.80
Third Quarter	$10.26	$4.00
Fourth Quarter	$12.00	$5.10
Fiscal 2009		
First Quarter	$12.65	$3.51
Second Quarter	$ 8.27	$5.31
Third Quarter	$ 9.88	$5.56
Fourth Quarter	$12.08	$6.78

Holders

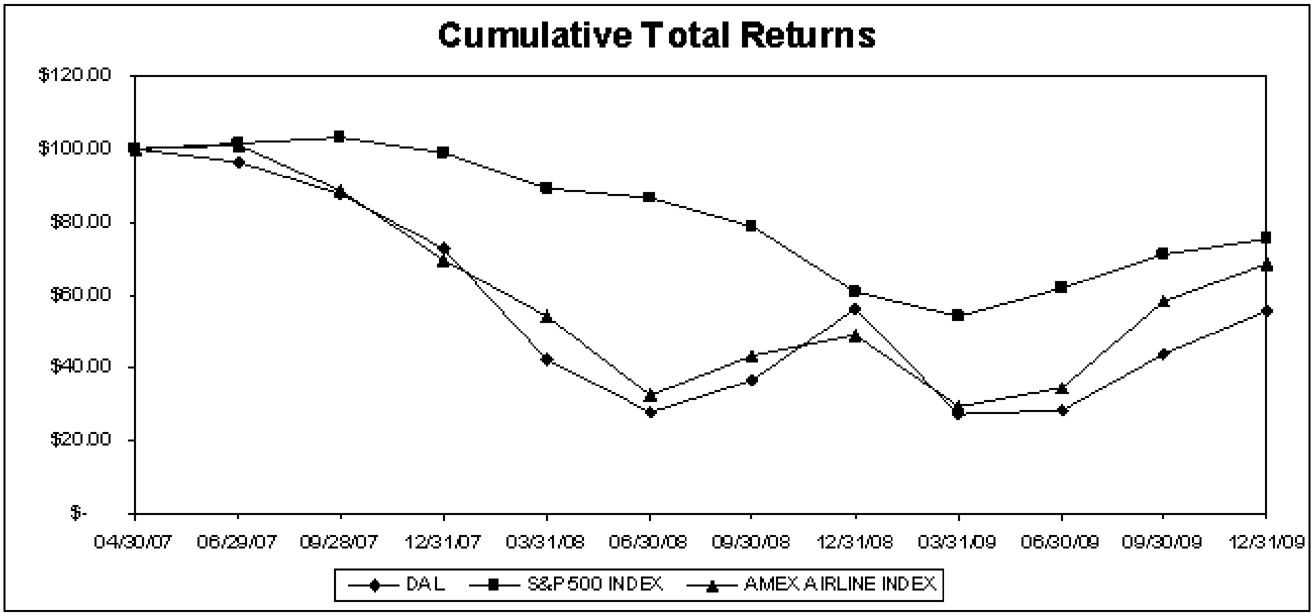
As of January 31, 2010, there were approximately 3,930 holders of record of our common stock.

Dividends

We expect to retain any future earnings to fund our operations and meet our cash and liquidity needs. In addition, our ability to pay dividends or repurchase common stock is restricted under credit facilities that we entered into in connection with our emergence from bankruptcy. Therefore, we do not anticipate paying any dividends on our common stock for the foreseeable future.

Stock Performance Graph

The following graph compares the cumulative total returns during the period from April 30, 2007 to December 31, 2009 of our common stock to the Standard & Poor's 500 Stock Index and the Amex Airline Index. The comparison assumes $100 was invested on April 30, 2007 in each of our common stock and the indices and assumes that all dividends were reinvested. Data for periods prior to April 30, 2007 is not shown because of the period we were in bankruptcy and the lack of comparability of financial results before and after April 30, 2007.



The Amex Airline Index (ticker symbol XAL) consists of Alaska Air Group, Inc., AMR Corporation, Continental, Delta, GOL Linhas Areas Inteligentes S.A., JetBlue Airways Corporation, LAN Airlines SA ADS, Ryanair Holdings plc, SkyWest, Inc., Southwest Airlines Company, TAM S.A. ADS, UAL Corporation, and US Airways Group, Inc.

Issuer Purchases of Equity Securities

We withheld the following shares of common stock to satisfy tax withholding obligations during the December 2009 quarter from the distributions described below. These shares may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan or Programs
October 1-31, 2009	1,130,516	$7.18	1,130,516	(1)
November 1-30, 2009	177,830	$7.18	177,830	(1)
December 1-31, 2009	9,475	$9.67	9,475	(1)
Total	1,317,821		1,317,821	

(1) Shares were withheld from employees to satisfy certain tax obligations due in connection with grants of stock under our 2007 Performance Compensation Plan. The 2007 Performance Compensation Plan and Delta's Plan of Reorganization both provide for the withholding of shares to satisfy tax obligations. Neither specifies a maximum number of shares that can be withheld for this purpose. See Note 11 and Note 12 of the Notes to the Consolidated Financial Statements elsewhere in this Form 10-K for more information about Delta's Plan of Reorganization and the 2007 Performance Compensation Plan, respectively.

ITEM 6. SELECTED FINANCIAL DATA

On October 29, 2008, a wholly-owned subsidiary of ours merged with and into Northwest Airlines Corporation. Our Consolidated Financial Statements include the results of operations of Northwest and its wholly-owned subsidiaries for the period from October 30 to December 31, 2008. For additional information regarding purchase accounting, see Note 2 of the Notes to the Consolidated Financial Statements.

In September 2005, we and substantially all of our subsidiaries (the "Delta Debtors") filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On April 30, 2007 (the "Effective Date"), the Delta Debtors emerged from bankruptcy. Upon emergence from Chapter 11, we adopted fresh start reporting which resulted in our becoming a new entity for financial reporting purposes. Accordingly, consolidated financial data on or after May 1, 2007 is not comparable to the consolidated financial data prior to that date.

References in this Form 10-K to "Successor" refer to Delta on or after May 1, 2007, after giving effect to (1) the cancellation of Delta common stock issued prior to the Effective Date, (2) the issuance of new Delta common stock and certain debt securities in accordance with the Delta Debtors' Joint Plan of Reorganization ("Delta's Plan of Reorganization"), and (3) the application of fresh start reporting. References to "Predecessor" refer to Delta prior to May 1, 2007.

The following table presents selected financial and operating data. We derived the Consolidated Summary of Operations and Other Financial and Statistical Data for (1) the years ended December 31, 2009 and 2008 of the Successor, (2) the eight months ended December 31, 2007 of the Successor, (3) the four months ended April 30, 2007 of the Predecessor and (4) the years ended December 31, 2006 and 2005 of the Predecessor from our audited consolidated financial statements.

Consolidated Summary of Operations

	Successor			Predecessor		
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,	Year Ended December 31,	
(in millions, except share data)	2009 (1)	2008 (2)	2007	2007 (3)	2006 (4)	2005 (5)
Operating revenue	$28,063	$22,697	$13,358	$5,796	$17,532	$16,480
Operating expense	28,387	31,011	12,562	5,496	17,474	18,481
Operating (loss) income	(324)	(8,314)	796	300	58	(2,001)
Interest expense, net	(1,251)	(613)	(276)	(248)	(801)	(973)
Miscellaneous, net	(6)	(114)	5	27	(19)	(1)
(Loss) income before reorganization items, net	(1,581)	(9,041)	525	79	(762)	(2,975)
Reorganization items, net	—	—	—	1,215	(6,206)	(884)
(Loss) income before income taxes	(1,581)	(9,041)	525	1,294	(6,968)	(3,859)
Income tax benefit (provision)	344	119	(211)	4	765	41
Net (loss) income	(1,237)	(8,922)	314	1,298	(6,203)	(3,818)
Preferred stock dividends	—	—	—	—	(2)	(18)
Net (loss) income attributable to common stockholders	$ (1,237)	$ (8,922)	$ 314	$1,298	$ (6,205)	$ (3,836)
Basic (loss) earnings per share	$ (1.50)	$ (19.08)	$ 0.80	$ 6.58	$ (31.58)	$ (23.75)
Diluted (loss) earnings per share	$ (1.50)	$ (19.08)	$ 0.79	$ 4.63	$ (31.58)	$ (23.75)

(1) Includes (a) $407 million, or $0.49 diluted loss per share, in restructuring and merger-related charges associated with (i) integrating the operations of Northwest into Delta, including costs related to information technology, employee relocation and training, and re-branding of aircraft and stations and (ii) employee workforce reduction programs, (b) an $83 million non-cash loss for the write-off of the unamortized discount on the extinguishment of the Northwest senior secured exit financing facility and (c) a non-cash income tax benefit of $321 million from our consideration of all income sources, including other comprehensive income.

(2) Includes a $7.3 billion non-cash charge, or $15.59 diluted loss per share, from an impairment of goodwill and other intangible assets and $1.1 billion, or $2.42 diluted loss per share, in primarily non-cash merger-related charges relating to the issuance or vesting of employee equity awards in connection with our merger with Northwest.

(3) Includes a $1.2 billion non-cash gain, or $5.20 diluted earnings per share, for reorganization items.

(4) Includes a $6.2 billion non-cash charge, or $31.58 diluted earnings per share, for reorganization items, a $310 million non-cash charge, or $1.58 diluted loss per share, associated with certain accounting adjustments and a $765 million income tax benefit, or $3.89 diluted EPS.

(5) Includes an $888 million charge, or $5.49 diluted loss per share, for restructuring, asset writedowns, pension settlements and related items, net and an $884 million non-cash charge, or $5.47 diluted loss per share, for reorganization costs.

Other Financial and Statistical Data

(Unaudited)

	Successor			Predecessor		
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,	Year Ended December 31,	
	2009	2008	2007	2007	2006	2005
Revenue passenger miles *(millions)* (1)	188,943	134,879	85,029	37,036	116,133	119,954
Available seat miles *(millions)* (1)	230,331	165,639	104,427	47,337	147,995	156,793
Passenger mile yield (1)	12.60¢	14.52¢	13.88¢	13.84¢	13.34¢	12.16¢
Passenger revenue per available seat mile (1)	10.34¢	11.82¢	11.30¢	10.83¢	10.47¢	9.31¢
Operating cost per available seat mile (1)	12.32¢	18.72¢	12.03¢	11.61¢	11.80¢	11.79¢
Passenger load factor (1)	82.0%	81.4%	81.4%	78.2%	78.5%	76.5%
Fuel gallons consumed *(millions)* (1)	3,853	2,740	1,742	792	2,480	2,687
Average price per fuel gallon, net of hedging (1)	$ 2.15	$ 3.16	$ 2.38	$ 1.93	$ 2.12	$ 1.89
Full-time equivalent employees, end of period	81,106	84,306	55,044	52,704	51,322	55,650

	Successor			Predecessor	
	December 31,			December 31,	
	2009	2008	2007	2006	2005
Total assets (*millions*) (1)	$43,539	$45,084	$32,423	$ 19,622	$20,039
Long-term debt and capital leases (including current maturities) (*millions*) (1)	$17,198	$16,571	$ 9,000	$ 8,012	$ 7,743
Stockholders' equity (deficit) (*millions*) (1)	$ 245	$ 874	$10,113	$(13,593)	$ (9,895)
Common stock outstanding *(millions)*	784	695	292	197	189

(1) Includes the operations of our contract carriers under capacity purchase agreements, including non-owned carriers.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General Information

We provide scheduled air transportation for passengers and cargo throughout the United States ("U.S.") and around the world. On October 29, 2008 (the "Closing Date"), a wholly-owned subsidiary of ours merged (the "Merger") with and into Northwest Airlines Corporation. On the Closing Date, Northwest Airlines Corporation and its wholly-owned subsidiaries, including Northwest Airlines, Inc. (collectively, "Northwest"), became wholly-owned subsidiaries of Delta. On December 31, 2009, Northwest Airlines, Inc. merged with and into Delta. As a result of this merger, Northwest Airlines, Inc. ceased to exist as a separate entity. We believe the Merger better positions us to manage through economic cycles and volatile fuel prices, invest in our fleet, improve services for customers and achieve our strategic objectives.

Our Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). In accordance with GAAP, our financial results include the results of Northwest for the periods after the Closing Date, but not for periods on or before the Closing Date. Our financial results under GAAP for the year ended December 31, 2009 include the results of Northwest for the full year. In contrast, our financial results under GAAP for the year ended December 31, 2008 include the results of Northwest only from October 30 to December 31, 2008. Accordingly, our financial results under GAAP for the years ended December 31, 2009 and 2008 are not comparable.

In the accompanying "Financial Highlights — 2009 GAAP Compared to 2008 Combined" and "Results of Operations — 2009 GAAP Compared to 2008 Combined," we sometimes use information that is derived from our Consolidated Financial Statements, but that is not presented in accordance with GAAP. Certain of this information is considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures include financial information for the year ended December 31, 2008 presented on a combined basis, which means the financial results for pre-Merger Delta and pre-Merger Northwest are combined beginning January 1, 2008. We believe this presentation of the 2008 financial results provides a more meaningful basis for comparing Delta's financial performance in 2009 and 2008. See "Results of Operations — 2009 GAAP Compared to 2008 Combined" and "Supplemental Information" below for the reasons we use combined and other non-GAAP financial measures, as well as a reconciliation to the corresponding measures under GAAP. The non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

Financial Highlights — 2009 GAAP Compared to 2008 Combined

For 2009, we reported a net loss of $1.2 billion. These results reflect significant weakness in the airline revenue environment due to the global recession and $1.4 billion in fuel hedge losses. Our net loss for the year also includes a $407 million charge for merger-related items, a $321 million non-cash income tax benefit and an $83 million non-cash loss on the extinguishment of debt.

Total operating revenue declined $6.2 billion, or 18%, in 2009 on a 6% decrease in system capacity, or available seat mile ("ASMs"), compared with 2008 on a combined basis. Passenger revenue accounted for $5.9 billion of the decrease. Passenger revenue per ASM ("PRASM") declined 14% on a 14% decrease in passenger mile yield. The decrease in passenger mile yield reflects (1) significantly reduced demand, particularly in international markets, (2) a reduction in business demand, (3) competitive pricing pressures and (4) lower fuel surcharges due to the year-over-year decline on fuel prices.

Volatile fuel prices continue to represent a significant risk to our business and the airline industry as a whole. While our fuel cost per gallon declined 35% in 2009 compared to 2008 on a combined basis, contributing to $5.4 billion in lower fuel expense excluding the mark-to-market adjustments related to fuel hedges settling in future periods, crude oil prices have risen 78% from December 31, 2008 to December 31, 2009.

We have focused on maintaining a competitive cost structure through disciplined spending, productivity initiatives and accelerating Merger synergies. Our consolidated operating cost per ASM ("CASM"), excluding special items (as defined in "Supplemental Information" below) and fuel expense, increased 4% on a 6% lower capacity in 2009 compared to 2008 on a combined basis. The increase primarily reflects an increase in pension expense from a decrease in value in pension trust assets due to declines in the financial markets during 2008.

At December 31, 2009, we had $4.7 billion in cash, cash equivalents and short-term investments, and $685 million in undrawn revolving credit facilities. In 2009, we completed $3.2 billion in financing transactions. For additional information regarding these financing transactions, see Note 6 of the Notes to the Consolidated Financial Statements.

Business Overview

Recent Initiatives. We believe that our global network, hub structure and alliances with other airlines enables us to offer customers a service which results in a competitive advantage over other domestic and international airlines. In 2009, we implemented a joint venture with Air France-KLM that further strengthens our transatlantic network, expanded our alliance agreement with Alaska Airlines and Horizon Air to enhance our West coast presence, and received U.S. Department of Transportation approval for a codesharing agreement with Virgin Blue, which will expand our network between the U.S. and Australia and the South Pacific.

Expanding our presence in New York City through increased corporate sales, improved facilities and increased and new service from New York is a key component of our network strategy. For example, we continue to make investments in our international operation at New York-JFK and explore long-term options to upgrade the facility. In addition, in August 2009, we announced our intention to make New York's LaGuardia Airport a domestic hub through a slot transaction with US Airways. The agreement calls for US Airways to transfer 125 operating slot pairs to us at LaGuardia and for us to transfer 42 operating slot pairs to US Airways at Reagan National Airport in Washington, D.C. We also plan to swap gates at LaGuardia to consolidate all of our operations (including the Delta Shuttle) into an expanded main terminal facility with 11 additional gates. The U.S. Department of Transportation has issued a tentative order on the transaction that would require the divestiture of 20 slot pairs at LaGuardia and 14 slot pairs at Reagan National. We and US Airways are reviewing the tentative order to determine our next steps.

We also plan to invest $1 billion through mid-2013 to improve the customer experience and the efficiency of our aircraft fleet. Planned enhancements include installing full flat-bed seats in BusinessElite on 90 trans-oceanic aircraft, adding in-seat audio and video throughout Economy Class on 68 widebody aircraft, adding First Class cabins to 66 CRJ-700 aircraft and installing winglets on more than 170 aircraft to extend aircraft range and increase fuel efficiency.

Merger Synergies. As a result of our integration efforts, we achieved more than $700 million in Merger synergy benefits in 2009, and we are targeting an additional $600 million in Merger synergy benefits in 2010. In 2009, we completed a significant portion of our Merger integration, including combining frequent flyer programs, consolidating and rebranding all airport facilities and achieving a single operating certificate from the Federal Aviation Administration. Our ability to fully realize targeted annual synergies of $2 billion by 2012 is dependent on various factors, including the integration of technologies of the two pre-Merger airlines, which we expect to occur in the first half of 2010. In January 2010, we completed the integration of the Northwest reservations system, including the transition of Northwest flights and passenger reservations into the Delta system.

Results of Operations — 2009 GAAP Compared to 2008 Combined

In this section, we compare Delta's results of operations under GAAP for the year ended December 31, 2009 with Delta's results on a combined basis for the year ended December 31, 2008.

As discussed in "General Information" above, Delta's results of operations for 2008 on a combined basis add (1) Delta's results of operations under GAAP for 2008, which includes Northwest's results from October 30 to December 31, 2008; and (2) Northwest's results from January 1 to October 29, 2008. We believe this presentation of the 2008 financial results provides a more meaningful basis for comparing Delta's financial performance in 2009 and 2008.

Table of Contents

Operating Revenue

(in millions)	GAAP Year Ended December 31, 2009	2008 GAAP Year Ended December 31	2008 Northwest January 1 to October 29	2008 Combined Year Ended December 31	2009 GAAP vs. 2008 Combined Increase (Decrease)	2009 GAAP vs. 2008 Combined % Increase (Decrease)
Operating Revenue:						
Passenger:						
Domestic	$10,863	$ 8,707	$ 4,872	$13,579	$(2,716)	(20)%
Atlantic	4,357	4,390	1,450	5,840	(1,483)	(25)%
Latin America	1,268	1,362	131	1,493	(225)	(15)%
Pacific	2,034	678	2,029	2,707	(673)	(25)%
Total Mainline	18,522	15,137	8,482	23,619	(5,097)	(22)%
Regional carriers	5,285	4,446	1,643	6,089	(804)	(13)%
Total passenger revenue	23,807	19,583	10,125	29,708	(5,901)	(20)%
Cargo	788	686	667	1,353	(565)	(42)%
Other, net	3,468	2,428	799	3,227	241	7%
Total operating revenue	$28,063	$22,697	$11,591	$34,288	$(6,225)	(18)%

(in millions)	GAAP Year Ended December 31, 2009	Increase (Decrease) 2009 GAAP vs. 2008 Combined: Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Passenger Revenue:							
Domestic	$10,863	(20)%	(8)%	(8)%	(14)%	(14)%	—
Atlantic	4,357	(25)%	(8)%	(9)%	(20)%	(19)%	0.9 pts
Latin America	1,268	(15)%	(4)%	(2)%	(12)%	(14)%	(1.5) pts
Pacific	2,034	(25)%	(12)%	(8)%	(14)%	(17)%	(3.5) pts
Total Mainline	18,522	(22)%	(8)%	(7)%	(15)%	(15)%	(0.3) pts
Regional carriers	5,285	(13)%	(1)%	—%	(13)%	(13)%	(0.1) pts
Total passenger revenue	$23,807	(20)%	(7)%	(6)%	(14)%	(14)%	(0.4) pts

Mainline Passenger Revenue. Mainline passenger revenue decreased in 2009 compared to 2008 on a combined basis primarily due to weakened demand for air travel from the global recession, capacity reductions and the effects of the H1N1 virus on passenger travel. Passenger mile yield and PRASM both declined 15%.

- *Domestic Passenger Revenue* . Domestic passenger revenue decreased 20% from a 14% decrease in PRASM on an 8% decline in capacity. The passenger mile yield decreased 14%, reflecting (1) a reduction in business demand due to the global recession, (2) an overall decrease in average fares due to competitive pricing pressures and (3) lower fuel surcharges due to the year-over-year decline in fuel prices.

- *International Passenger Revenue* . International passenger revenue decreased 24% from an 18% decrease in PRASM on an 7% decline in capacity. The passenger mile yield decreased 17%, reflecting (1) significantly reduced demand for international travel, (2) competitive pricing pressures (especially in the Atlantic market, which experienced a 20% decrease in passenger mile yield), primarily from a significant decrease in business demand due to the global recession and (3) the impact of the H1N1 virus, most notably in the Pacific and Latin America markets. The decrease in passenger mile yield in the Atlantic market also reflects unfavorable foreign currency exchange rates and lower fuel surcharges due to the year-over-year decline in fuel prices.

Regional carriers . Passenger revenue of regional carriers declined $804 million primarily as a result of a 13% decrease in passenger mile yield while traffic and capacity remained flat. The decrease in passenger mile yield reflects (1) a reduction in demand for air travel due to the global recession and (2) an overall decrease in average fares due to competitive pricing pressures.

Cargo . Cargo revenue decreased due to capacity reductions, significantly reduced cargo yields and international volume as a result of the global recession, and lower fuel surcharges due to the year-over-year decline in fuel prices. During 2009, we retired our remaining 10 dedicated freighter B-747-200F aircraft, which contributed to a 40% decline in capacity.

Other, net . Other, net revenue increased $241 million primarily due to new or increased baggage handling fees and higher SkyMiles program revenue, partially offset by decreased revenue from our alliance agreements and a reduction in our aircraft maintenance and repair service.

Operating Expense

(in millions)	GAAP Year Ended December 31, 2009	2008 GAAP Year Ended December 31	2008 Northwest January 1 to October 29	2008 Combined Year Ended December 31	2009 GAAP vs. 2008 Combined Increase (Decrease)	2009 GAAP vs. 2008 Combined % Increase (Decrease)
Operating Expense:						
Aircraft fuel and related taxes	$ 7,384	$ 7,346	$ 4,996	$12,342	$ (4,958)	(40)%
Salaries and related costs	6,838	4,329	2,220	6,549	289	4%
Contract carrier arrangements	3,823	3,766	901	4,667	(844)	(18)%
Contracted services	1,595	1,062	667	1,729	(134)	(8)%
Depreciation and amortization	1,536	1,266	1,054	2,320	(784)	(34)%
Aircraft maintenance materials and outside repairs	1,434	1,169	612	1,781	(347)	(19)%
Passenger commissions and other selling expenses	1,405	1,030	737	1,767	(362)	(20)%
Landing fees and other rents	1,289	787	456	1,243	46	4%
Passenger service	638	440	210	650	(12)	(2)%
Aircraft rent	480	307	184	491	(11)	(2)%
Impairment of goodwill and other intangible assets	—	7,296	3,841	11,137	(11,137)	NM
Restructuring and merger-related items	407	1,131	225	1,356	(949)	(70)%
Other	1,558	1,082	644	1,726	(168)	(10)%
Total operating expense	$28,387	$31,011	$16,747	$47,758	$(19,371)	(41)%

Aircraft fuel and related taxes . Aircraft fuel and related taxes decreased $5.0 billion in 2009 compared to 2008 on a combined basis primarily due to (1) $4.8 billion associated with lower average fuel prices and (2) $858 million from a 7% decline in fuel consumption due to capacity reductions. These decreases were partially offset by $1.4 billion in fuel hedge losses for 2009, compared to $666 million in fuel hedge losses for 2008. The fuel hedge losses in 2009 are primarily from hedges purchased in 2008 during the period fuel prices reached record highs and were expected to continue to rise.

Salaries and related costs . Salaries and related costs increased $289 million due to (1) pay increases for pilot and non-pilot frontline employees, (2) higher pension expense from a decline in the value of our defined benefit plan assets as a result of market conditions and (3) Delta airline tickets awarded to employees as part of an employee recognition program. These increases were partially offset by a 5% average decrease in headcount primarily related to workforce reduction programs.

Contract carrier arrangements . Contract carrier arrangements expense decreased $844 million primarily due to decreases of (1) $714 million associated with lower average fuel prices and (2) $119 million from a 7% decline in fuel consumption due to capacity reductions.

Depreciation and amortization. Depreciation and amortization decreased $784 million as a result of (1) $641 million in impairment related charges recorded in the year ended December 31, 2008, primarily related to certain definite-lived intangible assets and aircraft, and (2) $125 million related to the December 2008 multi-year extension of our co-brand credit card relationship with American Express (the "American Express Agreement"), extending the useful life of the American Express Agreement intangible asset to the date the contract expires.

Aircraft maintenance materials and outside repairs. Aircraft maintenance materials and outside repairs decreased $347 million primarily from capacity reductions.

Passenger commissions and other selling expenses. Passenger commissions and other selling expenses decreased $362 million primarily in connection with the passenger revenue decrease.

Impairment of goodwill and other intangible assets. During 2008, we experienced a significant decline in market capitalization primarily from record high fuel prices and overall airline industry conditions. In addition, the announcement of our intention to merge with Northwest established a stock exchange ratio based on the relative valuation of Delta and Northwest. We determined goodwill was impaired and recorded a non-cash charge of $10.2 billion on a combined basis. We also recorded a non-cash charge of $955 million on a combined basis to reduce the carrying value of certain intangible assets based on their revised estimated fair values.

Restructuring and merger-related items. Restructuring and merger-related items decreased $949 million, primarily due to the following:

- During 2009, we recorded a $288 million charge for merger-related items associated with integrating the operations of Northwest into Delta, including costs related to information technology, employee relocation and training, and re-branding of aircraft and stations. We expect to incur total cash costs of approximately $500 million over approximately three years to integrate the two airlines.
- For 2009, we recorded a $119 million charge in connection with employee workforce reduction programs.
- During 2008, we recorded $1.2 billion primarily in non-cash, merger-related charges related to the issuance or vesting of employee equity awards in connection with the Merger and $114 million in restructuring and related charges in connection with voluntary workforce reduction programs. In addition, we recorded charges of $25 million related to the closure of certain facilities and $14 million associated with the early termination of certain contract carrier arrangements.

Other (Expense) Income

(in millions)	GAAP Year Ended December 31, 2009	2008 GAAP Year Ended December 31	2008 Northwest January 1 to October 29	2008 Combined Year Ended December 31	Favorable (Unfavorable)
Interest expense	$(1,278)	$(705)	$(373)	$(1,078)	$(200)
Interest income	27	92	86	178	(151)
Loss on extinguishment of debt	(83)	—	—	—	(83)
Miscellaneous, net	77	(114)	(230)	(344)	421
Total other expense, net	$(1,257)	$(727)	$(517)	$(1,244)	$ (13)

Other expense, net for 2009 was $1.3 billion, compared to $1.2 billion for 2008 on a combined basis. This change is primarily attributable to (1) a $200 million increase in interest expense from increased amortization of debt discount, (2) a $151 million decrease in interest income primarily from significantly reduced short-term interest rates, (3) an $83 million non-cash loss for the write-off of the unamortized discount on the extinguishment of the Northwest senior secured exit financing facility (the “Bank Credit Facility”) and (4) a $421 million favorable change in miscellaneous, net due to the following:

(in millions)	Favorable (Unfavorable) 2009 GAAP vs. 2008 Combined
Miscellaneous, net	
Impairment in 2008 of minority ownership interest in Midwest Air Partners, LLC	$213
Foreign currency exchange rates	99
Mark-to-market adjustments on the ineffective portion of fuel hedge contracts	77
Loss on investments in The Reserve Primary Fund and insured auction rate securities in 2008	41
Other	(9)
Total miscellaneous, net	$421

Income Taxes

(in millions)	GAAP Year Ended December 31, 2009	2008 GAAP Year Ended December 31	2008 Northwest January 1 to October 29	2008 Combined Year Ended December 31	Increase
Income tax benefit	$344	$119	$211	$330	$14

We consider all income sources, including other comprehensive income, in determining the amount of tax benefit that should be allocated to continuing operations. For 2009, we recorded an income tax benefit of $344 million, including a non-cash income tax benefit of $321 million on the loss from continuing operations, with an offsetting non-cash income tax expense of $321 million on other comprehensive income. We did not record an income tax benefit for the remainder of our loss for 2009. The deferred tax asset resulting from such a net operating loss was fully reserved by a valuation allowance.

We recorded an income tax benefit of $330 million for 2008 on a combined basis as a result of the impairment of our indefinite-lived intangible assets. The impairment of goodwill did not result in an income tax benefit as goodwill is not deductible for income tax purposes. We did not record an income tax benefit as a result of our loss for 2008. The deferred tax asset resulting from such a net operating loss is fully reserved by a valuation allowance.

Results of Operations—2008 GAAP Compared to 2007 Predecessor plus Successor

In September 2005, we and substantially all of our subsidiaries (the "Delta Debtors") filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On April 30, 2007 (the "Effective Date"), the Delta Debtors emerged from bankruptcy. References in this Form 10-K to "Successor" refer to Delta on or after May 1, 2007, after giving effect to (1) the cancellation of Delta common stock issued prior to the Effective Date; (2) the issuance of new Delta common stock and certain debt securities in accordance with the Delta Debtors' Joint Plan of Reorganization ("Delta's Plan of Reorganization"); and (3) the application of fresh start reporting. References to "Predecessor" refer to Delta prior to May 1, 2007.

We adopted fresh start reporting upon emergence from Chapter 11, which resulted in our becoming a new entity for financial reporting purposes. Due to our adoption of fresh start reporting on April 30, 2007, the accompanying Consolidated Statements of Operations for 2007 include the results of operations for (1) the four months ended April 30, 2007 of the Predecessor and (2) the eight months ended December 31, 2007 of the Successor.

In this section, we added the results of operations for the four months ended April 30, 2007 of the Predecessor with the eight months ended December 31, 2007 of the Successor. We then compared (1) Delta's results of operations for the year ended December 31, 2008 under GAAP with (2) the 2007 Predecessor plus Successor results. We believe this presentation of the 2007 financial results provides a more meaningful basis for comparing Delta's financial performance in 2008 and 2007.

Operating Revenue

(in millions)	GAAP Year Ended December 31, 2008	Predecessor + Successor Year Ended December 31, 2007	Increase	Increase due to Northwest Operations October 30 to December 31, 2008	Increase (Decrease) Excluding Northwest Operations
Operating Revenue:					
Passenger:					
Mainline	$15,137	$12,758	$2,379	$1,396	$ 983
Regional carriers	4,446	4,170	276	334	(58)
Total passenger revenue	19,583	16,928	2,655	1,730	925
Cargo	686	482	204	96	108
Other, net	2,428	1,744	684	199	485
Total operating revenue	$22,697	$19,154	$3,543	$2,025	$1,518

Northwest Operations. As a result of the Merger, our results of operations under GAAP for 2008 include Northwest's operations for the period from October 30 to December 31, 2008, which increased our operating revenue by $2.0 billion in 2008 compared to the 2007 Predecessor plus Successor results. The addition of Northwest to our operations for that period increased ASMs, or capacity, 10% for the full year.

(in millions)	GAAP Year Ended December 31, 2008	Increase (Decrease) 2008 GAAP vs. 2007 Predecessor + Successor: Passenger Mile Yield	PRASM	Load Factor
Passenger Revenue:				
Domestic	$ 8,707	4%	6%	2.1pts
Atlantic	4,390	9%	7%	(1.2)pts
Latin America	1,362	13%	16%	2.1pts
Pacific	678	4%	4%	0.2pts
Total Mainline	15,137	6%	7%	1.0pts
Regional carriers	4,446	5%	6%	0.8pts
Total passenger revenue	$ 19,583	5%	6%	1.0pts

Mainline Passenger Revenue. Mainline passenger revenue increased in 2008 compared to the 2007 Predecessor plus Successor results primarily due to (1) the inclusion of Northwest's operations, (2) fare increases in response to increased fuel charges, (3) pricing and scheduling initiatives and (4) our increased service to international destinations. The increase in passenger revenue reflects a rise of 6% and 7% in passenger mile yield and PRASM, respectively.

- *Domestic Passenger Revenue* . Domestic passenger revenue increased 8%, due to a 2.1 point increase in load factor and a 6% increase in PRASM on a 1% increase in capacity. The passenger mile yield increased 4%. The increases in passenger revenue and PRASM reflect (1) the inclusion of Northwest's operations and (2) fare increases, higher yields and our reduction of domestic flights in response to high fuel prices and the slowing economy. Excluding Northwest's operations, we reduced domestic capacity by 7% for the year.

- *International Passenger Revenue* . International passenger revenue increased 38%, due to a 27% increase in capacity from growth in our international operations and the inclusion of Northwest's operations, and a 9% increase in PRASM. The passenger mile yield increased 9% due to fuel surcharges and increases in service to international destinations, primarily in the Atlantic and Latin America markets, from the restructuring of our route network. Excluding Northwest's operations, we increased international capacity by 14% for the year.

Regional carriers . Passenger revenue of regional affiliates increased due to the inclusion of Northwest's operations. Excluding Northwest's operations, regional carriers revenue declined $58 million primarily due to an 8% decrease in capacity in response to high fuel prices and the slowing economy, as well as the termination of certain contract carrier agreements.

Cargo . Cargo revenue increased due to the inclusion of Northwest's operations and an increase in fuel surcharges, improved cargo yields, and higher international volume.

Other, net . Other, net revenue increased primarily due to the inclusion of Northwest's operations. Excluding Northwest's operations, other, net revenue increased $485 million primarily due to (1) new or increased administrative service charges and baggage handling fees, (2) growth in aircraft maintenance and staffing services to third parties and (3) higher SkyMiles program revenue.

Operating Expense

(in millions)	GAAP Year Ended December 31, 2008	Predecessor + Successor Year Ended December 31, 2007	Increase (Decrease)	Increase (Decrease) due to: Northwest Operations October 30 to December 31, 2008	Restructuring and merger-related items	Impairments	Fuel Expense	Other
Operating Expense:								
Aircraft fuel and related taxes	$7,346	$4,686	$2,660	$718	$—	$—	$1,942	$—
Salaries and related costs	4,329	3,759	570	504	—	—	—	66
Contract carrier arrangements	3,766	3,275	491	144	—	—	303	44
Depreciation and amortization	1,266	1,164	102	91	—	—	—	11
Aircraft maintenance materials and outside repairs	1,169	983	186	113	—	—	—	73
Contracted services	1,062	910	152	128	—	—	—	24
Passenger commissions and other selling expenses	1,030	933	97	130	—	—	—	(33)
Landing fees and other rents	787	725	62	106	—	—	—	(44)
Passenger service	440	338	102	35	—	—	—	67
Aircraft rent	307	246	61	40	—	—	—	21
Profit sharing	—	158	(158)	—	—	—	—	(158)
Impairment of goodwill and other intangible assets	7,296	—	7,296	—	—	7,296	—	—
Restructuring and merger-related items (1)	1,131	—	1,131	—	1,131	—	—	—
Other	1,082	881	201	88	—	—	—	113
Total operating expense	$31,011	$18,058	$12,953	$2,097	$1,131	$7,296	$ 2,245	$184

(1) Restructuring and merger-related items include $333 million in one-time merger-related charges, as discussed below related to Northwest for the period from October 30 to December 31, 2008.

Northwest Operations. As a result of the Merger, our results of operations under GAAP for 2008 include Northwest's operations for the period from October 30 to December 31, 2008, which increased operating expense by $2.1 billion in 2008 compared to the 2007 Predecessor plus Successor results. The addition of Northwest for that period increased capacity 10% for the full year.

Restructuring and merger-related items. Restructuring and merger-related items totaled a $1.1 billion charge, primarily consisting of the following:

- *Merger-related charges.* $978 million in one-time primarily non-cash charges relating to the issuance or vesting of employee equity awards in connection with the Merger.
- *Severance and related costs.* $114 million in restructuring and related charges in connection with two voluntary workforce reduction programs for U.S. non-pilot employees announced in March 2008 in which approximately 4,200 employees elected to participate.
- *Facilities and other.* $25 million in facilities charges primarily related to accruals for future lease obligations for previously announced plans to close operations in Concourse C at the Cincinnati/Northern Kentucky International Airport (the "Cincinnati Airport").

- *Contract carrier restructuring.* $14 million in charges associated with the early termination of certain capacity purchase agreements with regional air carriers.

Impairments. During 2008, we experienced a significant decline in market capitalization primarily from record high fuel prices and overall airline industry conditions. In addition, the announcement of our intention to merge with Northwest established a stock exchange ratio based on the relative valuation of Delta and Northwest. As a result, we determined goodwill was impaired and recorded a non-cash charge of $6.9 billion. We also recorded a non-cash charge of $357 million to reduce the carrying value of certain intangible assets based on their revised estimated fair values.

Fuel expense . Fuel expense, including contract carriers, increased $2.2 billion, primarily due to higher average fuel prices, which were partially offset by fuel hedge gains and reduced consumption from lower capacity. Fuel prices averaged $3.18 per gallon, including fuel hedge gains of $134 million, for 2008, compared to $2.24 per gallon, including fuel hedge gains of $51 million, for 2007.

Salaries and related costs. Salaries and related costs increased $66 million primarily from a 6% average increase in pilots and flight attendants to staff increased international flying, annual pay increases for all pilot and non-pilot non-management employees, and increases in group insurance rates, partially offset by a 3% average decrease in headcount primarily related to two voluntary workforce reduction programs.

Aircraft maintenance materials and outside repairs. Aircraft maintenance materials and outside repairs increased $73 million primarily due to growth in our third party maintenance and repair business.

Passenger service. Passenger service increased $67 million primarily associated with (1) the increased cost of catering on international flights, (2) product upgrades in our Business Elite cabins and (3) unfavorable foreign currency exchange rates.

Profit sharing. In 2007, we recorded a $158 million charge related to our broad-based employee profit sharing plan. We did not record any profit sharing expense in 2008. This plan provides that, for each year in which we have an annual pre-tax profit (as defined), we will pay at least 15% of that profit to eligible employees.

Other (Expense) Income

Other expense, net for 2008 was $727 million, compared to $492 million for 2007. This change is attributable to (1) a $53 million, or 8%, increase in interest expense primarily due to a higher level of debt outstanding, including Northwest debt for the period from October 30 to December 31, 2008 and the borrowing of the entire amount of our $1.0 billion exit revolving credit facility, partially offset by the repayment of our debtor-in-possession financing facilities (the “DIP Facility”) and other higher floating rate debt in connection with our emergence from Chapter 11, (2) a $36 million decrease in interest income primarily from lower cash balances prior to the Merger and lower interest rates compared to 2007 and (3) a $146 million unfavorable change in miscellaneous, net due to the following:

(in millions)	**Unfavorable 2008 GAAP vs. 2007 Predecessor + Successor**
Miscellaneous, net	
Foreign currency exchange rates	$ 72
Loss on investments in The Reserve Primary Fund and insured auction rate securities	34
Mark-to-market adjustments on the ineffective portion of fuel hedge contracts	21
Northwest non-operating expense from October 30 to December 31, 2008	12
Other	7
Total miscellaneous, net	$146

Reorganization Items, Net

Reorganization items, net totaled a $1.2 billion gain for 2007, primarily consisting of the following:

- *Emergence gain.* A net $2.1 billion gain due to our emergence from bankruptcy, comprised of (1) a $4.4 billion gain related to the discharge of liabilities subject to compromise in connection with the settlement of claims, (2) a $2.6 billion charge associated with the revaluation of our SkyMiles frequent flyer obligation and (3) a $238 million gain from the revaluation of our remaining assets and liabilities to fair value.
- *Aircraft financing renegotiations and rejections* . A $440 million charge for estimated claims primarily associated with the restructuring of the financing arrangements for 143 aircraft and adjustments to prior claims estimates.
- *Contract carrier agreements* . A net charge of $163 million in connection with amendments to certain contract carrier agreements.
- *Emergence compensation* . In accordance with Delta's Plan of Reorganization, we made $130 million in lump-sum cash payments to approximately 39,000 eligible non-contract, non-management employees. We also recorded an additional charge of $32 million related to our portion of payroll related taxes associated with the issuance, as contemplated by Delta's Plan of Reorganization, of approximately 14 million shares of common stock to those employees.
- *Pilot collective bargaining agreement* . An $83 million allowed general, unsecured claim in connection with the agreement between Comair, Inc., our wholly owned subsidiary ("Comair"), and the Air Line Pilots Association ("ALPA") to reduce Comair's pilot labor costs.
- *Facility leases* . A net $43 million gain, which primarily reflects (1) a $126 million net gain related to our settlement agreement with the Massachusetts Port Authority partially offset by (2) a net $80 million charge from an allowed general, unsecured claim in connection with the settlement relating to the restructuring of certain of our lease and other obligations at the Cincinnati Airport.

Income Taxes

We recorded an income tax benefit of $119 million for 2008 due to the impairment of our indefinite-lived intangible assets. The impairment of goodwill did not result in an income tax benefit as goodwill is not deductible for income tax purposes. We did not record an income tax benefit as a result of our loss for 2008. The deferred tax asset resulting from such a net operating loss is fully reserved by a valuation allowance.

For 2007, we recorded an income tax provision totaling $207 million. We recorded a full valuation allowance against our net deferred tax assets, excluding the effect of the deferred tax liabilities that are unable to be used as a source of income against these deferred tax assets, based on our belief that it is more likely than not that the asset will not be realized in the future. Under accounting guidance applicable in 2007, any reduction in the valuation allowance as a result of the recognition of deferred tax assets was adjusted through goodwill, followed by other indefinite-lived intangible assets until the net carrying cost of these assets was zero. Accordingly, during 2007, we reduced goodwill by $211 million with respect to the realization of pre-emergence deferred tax assets.

Financial Condition and Liquidity

We expect to meet our cash needs for 2010 from cash flows from operations, cash and cash equivalents, short-term investments and financing arrangements. Our cash and cash equivalents and short-term investments were $4.7 billion at December 31, 2009. We also have $685 million of additional cash available from undrawn credit facilities. As of December 31, 2009, we have financing commitments from third parties, or definitive agreements to sell, all aircraft subject to purchase commitments, except for nine previously owned MD-90 aircraft. Under these financing commitments third parties have agreed to finance on a long-term basis a substantial portion of the purchase price of the covered aircraft. For additional information regarding our aircraft purchase commitments, see Note 8 of the Notes to the Consolidated Financial Statements.

The global economic recession weakened demand for air travel, decreasing our revenue and negatively impacting our liquidity. In an effort to lessen the impact of the global recession, we implemented initiatives to reduce costs, increase revenues and preserve liquidity, primarily through reducing capacity to align with demand, workforce reduction programs and the acceleration of Merger synergy benefits.

Our ability to obtain additional financing, if needed, on acceptable terms could be affected by the fact that substantially all of our assets are subject to liens.

Significant Liquidity Events

Significant liquidity events during 2009 were as follows:

- In September 2009, we borrowed a total of $2.1 billion under three new financings, consisting of: (1) $750 million of senior secured credit facilities, which include a $500 million first-lien revolving credit facility (the “Revolving Facility”) and a $250 million first-lien term loan facility; (2) $750 million of senior secured notes; and (3) $600 million of senior second lien notes. A portion of the net proceeds was used to repay in full the Bank Credit Facility due in 2010 with the remainder of the proceeds available for general corporate purposes.
- In November 2009, we issued $689 million of Pass Through Certificates, Series 2009-1 through two separate trusts (the “2009-1 EETC”). We used $342 million of the net proceeds of the 2009-1 EETC offering to prepay existing mortgage financings for five aircraft that were delivered and financed earlier in 2009 and for general corporate purposes. We intend to use the remaining $347 million of the net proceeds of the 2009-1 EETC, which are currently held in escrow, to repay a portion of the refinancing of 22 aircraft that currently secure our 2000-1 EETC.
- In 2009, we entered into two revolving credit facilities for a total of $250 million. We also received the proceeds from the issuance of $150 million in unsecured tax exempt bonds. In addition, a $300 million revolving credit facility terminated on its maturity date.

For additional information regarding these matters and other liquidity events, see Note 6 of the Notes to the Consolidated Financial Statements.

Sources and Uses of Cash

In this section, we review the sources and uses of cash for the years ended December 31, 2009 and 2008 under GAAP. For 2007, we added Delta’s sources and uses of cash for the four months ended April 30, 2007 of the Predecessor with the eight months ended December 31, 2007 of the Successor. We believe the 2007 Predecessor plus Successor sources and uses of cash provides a more meaningful perspective on Delta’s cash flows for 2007 than if we did not present this information in this manner.

Cash flows from operating activities

Cash provided by operating activities totaled $1.4 billion for 2009, primarily reflecting (1) the return from counterparties of $1.1 billion of hedge margin primarily used to settle hedge losses recognized during the period and (2) $690 million in net income after adjusting for non-cash items such as depreciation and amortization.

Cash used in operating activities totaled $1.7 billion for 2008, primarily reflecting (1) an increase in aircraft fuel payments due to record high fuel prices for most of the year, (2) the posting of $680 million in margin with counterparties primarily from our estimated fair value loss position on our fuel hedge contracts at December 31, 2008, (3) the payment of $438 million in premiums for fuel hedge derivatives entered into during 2008, (4) a $374 million decrease in advance ticket sales due to the slowing economy and (5) the payment of $158 million in 2008 under our broad-based employee profit sharing plan related to 2007. Cash used in operating activities was partially offset by cash flows driven by a $3.5 billion increase in operating revenue, $2.0 billion of which is directly attributable to Northwest's operations since the Closing Date.

Cash provided by operating activities totaled $1.4 billion for 2007, primarily reflecting $875 million in cash used under Delta's Plan of Reorganization to satisfy bankruptcy-related obligations under our comprehensive agreement with ALPA and settlement agreement with the Pension Benefit Guaranty Corporation. Cash flows from operating activities during 2007 also reflect (1) the release of $804 million from restricted cash pursuant to an amendment to our Visa/Mastercard credit card processing agreement, (2) revenue and network productivity improvements, including right-sizing capacity to better meet customer demand and the continued restructuring of our route network to reduce less productive short haul domestic flights and reallocate widebody aircraft to international routes and (3) a $476 million decrease in short-term investments primarily from sales of auction rate securities.

Cash flows from investing activities

Cash used in investing activities totaled $1.0 billion for 2009, primarily reflecting net investments of $951 million for flight equipment and $251 million for ground property and equipment. Cash used in investing activities was partially offset by (1) a $142 million distribution of our investment in The Reserve Primary Fund and (2) $100 million of proceeds from the sale of flight equipment.

Cash provided by investing activities totaled $1.6 billion for 2008, primarily reflecting (1) the inclusion of $2.4 billion in cash and cash equivalents from Northwest in the Merger and (2) $609 million in restricted cash and cash equivalents, primarily related to $500 million of cash from a Northwest borrowing that was released from escrow. These inflows were partially offset by investments of $1.3 billion for flight equipment and $241 million for ground property and equipment.

Cash used in investing activities totaled $625 million for 2007, primarily reflecting investments of $810 million for flight equipment and advanced payments for aircraft commitments and $226 million for ground property and equipment. During 2007, restricted cash decreased by $185 million. In addition, we received $34 million and $83 million from the sale of our investments in priceline.com Incorporated and ARINC Incorporated, respectively.

Cash flows from financing activities

Cash used in financing activities totaled $19 million for 2009, primarily reflecting $3.0 billion in proceeds from long-term debt and aircraft financing, largely associated with the issuance of (1) $2.1 billion under three new financings (as discussed above), (2) $342 million from the 2009-1 EETC offering (with the remaining proceeds held in escrow) and (3) $150 million of tax exempt bonds, mostly offset by the repayment of $2.9 billion in long-term debt and capital lease obligations, including the Bank Credit Facility and the Revolving Facility.

Cash provided by financing activities totaled $1.7 billion for 2008, primarily reflecting (1) $1.0 billion in borrowings under a revolving credit facility, (2) $1.0 billion received under the American Express Agreement for an advance purchase of SkyMiles, and (3) $1.0 billion from aircraft financing. Cash provided by financing activities was partially offset by the repayment of $1.6 billion of long-term debt and capital lease obligations.

Cash used in financing activities totaled $120 million for 2007, primarily reflecting (1) the repayment of the DIP Facility with a portion of the proceeds available under the senior secured exit financing facility and existing cash, (2) the prepayment of $863 million of secured debt with a portion of the proceeds from the sale of enhanced equipment trust certificates and (3) scheduled principal payments on long-term debt and capital lease obligations. During 2007, we also received $181 million in proceeds from an amendment to certain financing arrangements in which the outstanding principal amount was increased.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2009. The table does not include commitments that are contingent on events or other factors that are uncertain or unknown at this time, some of which are discussed in footnotes to this table and in the text immediately following the footnotes. Results that vary significantly from our assumptions could have a material impact on our contractual obligations.

	Contractual Obligations by Year						
(in millions)	2010	2011	2012	2013	2014	Thereafter	Total
Long-term debt (1)	$2,690	$3,460	$4,200	$2,060	$3,440	$ 7,690	$23,540
Contract carrier obligations (2)	1,870	1,780	1,770	1,820	1,900	7,550	16,690
Employee benefit obligations (3)	860	740	790	740	740	10,750	14,620
Operating lease payments (4)	1,589	1,407	1,296	1,171	1,085	5,242	11,790
Aircraft purchase commitments (5)	1,080	—	—	—	—	—	1,080
Capital lease obligations (6)	148	146	119	87	67	337	904
Other purchase obligations (7)	400	270	260	160	90	90	1,270
Total (8)	$8,637	$7,803	$8,435	$6,038	$7,322	$31,659	$69,894

(1) Includes the principal amount of our long-term debt, which is also included in our Consolidated Balance Sheet. The table also includes interest payments related to long-term debt, but excludes the impact of our interest rate hedges. Estimated amounts for future interest and related payments in connection with our long-term debt obligations are based on the fixed and variable interest rates specified in the associated debt agreements. Estimates on variable rate interest were calculated using implied short-term LIBOR based on LIBOR at December 31, 2009.

The table also includes (a) payments for credit enhancements required in conjunction with certain financing agreements and (b) debt recorded in connection with the American Express Agreement. As part of the American Express Agreement, we received $1.0 billion from American Express for an advance purchase of SkyMiles. Our obligation to American Express will be satisfied through use of SkyMiles by American Express over an expected two year period that begins in December 2010.

(2) Represents our minimum fixed obligations under our contract carrier agreements (excluding contract carrier aircraft lease payments accounted for as operating leases).

(3) Represents minimum funding requirements under government regulations for all of our qualified defined benefit pension plans based on actuarially determined estimates and projected future benefit payments from all of our unfunded other postretirement and other postemployment plans. For additional information regarding our qualified defined benefit pension plans, see “Pension Obligations” below.

(4) Includes our noncancelable operating leases and our lease payments related to aircraft under our contract carrier agreements.

(5) Approximately $800 million of this amount is associated with our orders to purchase 20 B-737-800 aircraft for which we have entered into definitive agreements to sell to third parties immediately following delivery of these aircraft to us by the manufacturer. We have not received any notice that these parties have defaulted on their purchase obligations.

The table excludes our order of 18 B-787-8 aircraft. The Boeing Company (“Boeing”) has informed us that Boeing will be unable to meet the contractual delivery schedule for these aircraft. We are in discussions with Boeing regarding this situation. The table also excludes our order for five A319-100 aircraft and two A320-200 aircraft since we have the right to cancel these orders.

(6) Includes interest payments related to capital lease obligations. The present value of these obligations, excluding interest, is included on our Consolidated Balance Sheets.

(7) Primarily includes purchase obligations pursuant to which we are required to make minimum payments for goods and services, including but not limited to insurance, outsourced human resource services, marketing, maintenance, technology, sponsorships and other third party services and products.

(8) In addition to the contractual obligations included in the table, we have significant cash obligations that are not included in the table. For example, we will pay wages required under collective bargaining agreements, purchase capacity under contract carrier arrangements (as discussed below), settle tax contingency reserves (as discussed below), pay credit card processing fees and pay fees for other goods and services, including those related to fuel, maintenance and commissions. While we are parties to legally binding contracts regarding these goods and services, the actual commitment is contingent on certain factors such as volume and/or variable rates that are uncertain or unknown at this time. Therefore, these items are not included in the table. In addition, purchase orders made in the ordinary course of business are excluded from the table and any amounts which we are liable for under the purchase orders are included in current liabilities on our Consolidated Balance Sheets. Payments under our profit-sharing plan or pursuant to our 2007 Performance Compensation Plan are contingent on factors unknown at this time and, therefore, are not included in this table.

Pension Obligations. We sponsor a defined benefit pension plan for eligible non-pilot Delta employees and retirees (the “Delta Non-Pilot Plan”) and defined benefit pension plans for eligible Northwest employees and retirees (the “Northwest Pension Plans”), all of which have been frozen for future benefit accruals. Our funding obligations for these plans are governed by the Employee Retirement Income Security Act.

The Pension Protection Act of 2006 allows commercial airlines to elect alternative funding rules (“Alternative Funding Rules”) for defined benefit plans that are frozen. Under the Alternative Funding Rules, the unfunded liability for a frozen defined benefit plan may be funded over a fixed 17-year period. The unfunded liability is defined as the actuarial liability and is calculated using an 8.85% interest rate. Delta elected the Alternative Funding Rules for the Delta Non-Pilot Plan, effective April 1, 2007; and Northwest elected the Alternative Funding Rules for the Northwest Pension Plans, effective October 1, 2006. We estimate that the funding requirements under these plans will be approximately $720 million in 2010.

While this legislation makes our funding obligations for these plans more predictable, factors outside our control continue to have an impact on the funding requirements. Estimates of future funding requirements are based on various assumptions and can vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets; statutory requirements; and demographic data for participants.

The following items are not included in the table above:

Contract Carrier Agreements . During the year ended December 31, 2009, six regional air carriers (“Contract Carriers”) operated for us (in addition to our wholly-owned subsidiaries, Comair, Compass Airlines, Inc. (“Compass”) and Mesaba Aviation, Inc. (“Mesaba”)) pursuant to capacity purchase agreements. Under these agreements, the regional air carriers operate some or all of their aircraft using our flight designator codes, and we control the scheduling, pricing, reservations, ticketing and seat inventories of those aircraft and retain the revenues associated with those flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services.

The above table shows our minimum fixed obligations under these capacity purchase agreements (excluding Comair, Compass and Mesaba). The obligations set forth in the table contemplate minimum levels of flying by the Contract Carriers under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as for fuel, labor, maintenance, insurance, catering, property tax and landing fees. Accordingly, our actual payments under these agreements could differ materially from the minimum fixed obligations set forth in the table above.

For information regarding payments we may be required to make in connection with certain terminations of our capacity purchase agreements with Chautauqua Airlines, Inc. and Shuttle America Corporation, see “Contingencies Related to Termination of Contract Carrier Agreements” in Note 8 of the Notes to the Consolidated Financial Statements.

Uncertain Tax Positions. The total amount of unrecognized tax benefits on the Consolidated Balance Sheet at December 31, 2009 is $66 million. We are currently under audit by the Internal Revenue Service (the “IRS”) for the 2008 and 2009 tax years.

Legal Contingencies . We are involved in various legal proceedings relating to employment practices, environmental issues, bankruptcy matters, antitrust matters and other matters concerning our business. We cannot reasonably estimate the potential loss for certain legal proceedings because, for example, the litigation is in its early stages or the plaintiff does not specify the damages being sought.

Other Contingent Obligations under Contracts . In addition to the contractual obligations discussed above, we have certain contracts for goods and services that require us to pay a penalty, acquire inventory specific to us or purchase contract specific equipment, as defined by each respective contract, if we terminate the contract without cause prior to its expiration date. Because these obligations are contingent on our termination of the contract without cause prior to its expiration date, no obligation would exist unless such a termination occurs.

For additional information about other contingencies not discussed above, as well as information related to general indemnifications, see Note 8 of the Notes to the Consolidated Financial Statements.

Application of Critical Accounting Policies

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. We periodically evaluate these estimates and assumptions, which are based on historical experience, changes in the business environment and other factors that management believes to be reasonable under the circumstances. Actual results may differ materially from these estimates.

Frequent Flyer Programs. We have a frequent flyer program (the “SkyMiles Program”) offering incentives to increase travel on Delta. This program allows participants to earn mileage credits by flying on Delta, Contract Carriers and participating airlines, as well as through participating companies such as credit card companies, hotels and car rental agencies. We also sell mileage credits to other airlines and to non-airline businesses. Mileage credits can be redeemed for free or upgraded air travel on Delta and participating airlines, for membership in our Sky Club and for other program awards.

In the Merger, we assumed Northwest’s frequent flyer program (the “WorldPerks Program”). In October 2009, we completed the consolidation of the SkyMiles and WorldPerks Programs, which combined miles from each program at a one-to-one ratio. The WorldPerks Program was accounted for under the same methodology as the SkyMiles Program.

We use the residual method for revenue recognition of mileage credits. The fair value of the mileage credit component is determined based on prices at which we sell mileage credits to other airlines, currently $0.0054 per mile, and is re-evaluated at least annually. Under the residual method, the portion of the revenue from the sale of mileage credits and the mileage component of passenger ticket sales that approximates fair value is deferred and recognized as passenger revenue when miles are redeemed and services are provided based on the weighted- average price of all miles that have been deferred. The portion of the revenue received in excess of the fair value of mileage credits sold is recognized in income when the related marketing services are provided and classified as other, net revenue.

For mileage credits which we estimate are not likely to be redeemed (“Breakage”), we recognize the associated value proportionally during the period in which the remaining mileage credits are expected to be redeemed. The estimate of Breakage is based on historical redemption patterns. A change in assumptions as to the period over which mileage credits are expected to be redeemed, the actual redemption activity for mileage credits or the estimated fair value of mileage credits expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. At December 31, 2009, the aggregate deferred revenue balance associated with the SkyMiles Program was $4.8 billion. A hypothetical 1% change in our outstanding number of miles estimated to be redeemed would result in a $33 million impact on our deferred revenue liability at December 31, 2009.

Purchase Accounting Measurements. On the Closing Date, Northwest revalued its assets and liabilities at fair value. This revaluation did not impact earnings; it did impact the calculation of goodwill related to the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed from Northwest in the Merger. Additional changes in the fair values of these assets and liabilities from the current estimated values, as well as changes in other assumptions, could significantly impact earnings.

The fair value of Northwest's debt and capital lease obligations was determined by estimating the present value of amounts to be paid at appropriate interest rates as of the Closing Date. These rates were determined with swap rates, LIBOR rates and market spreads as of the Closing Date. The market spreads, which were determined with the assistance of third party financial institutions, considered the credit risk and the structure of the debt and capital lease obligations as well as the underlying collateral supporting the obligations.

Fair value measurements for goodwill and other intangible assets included significant unobservable inputs, which generally include a five-year business plan, 12 months of historical revenues and expenses by city pair, projections of available seat miles, revenue passenger miles, load factors, operating costs per available seat mile and a discount rate.

One of the significant unobservable inputs underlying the intangible fair value measurements performed on the Closing Date is the discount rate. We determined the discount rate using the weighted average cost of capital of the airline industry, which was measured using a Capital Asset Pricing Model ("CAPM"). The CAPM in the valuation of goodwill and indefinite-lived intangibles utilized a 50% debt and 50% equity structure. The historical average debt-to-equity structure of the major airlines since 1990 is also approximately 50% debt and 50% equity, which was similar to Northwest's debt-to-equity structure at emergence from Chapter 11. The return on debt was measured using a bid-to-yield analysis of major airline corporate bonds. The expected market rate of return for equity was measured based on the risk free rate, the airline industry beta and risk premiums based on the Federal Reserve Statistical Release H. 15 or Ibbotson ® Stocks, Bonds, Bills, and Inflation ® Valuation Yearbook, Edition 2008. These factors resulted in a 13% discount rate.

The fair value of Northwest's pension and postretirement plans was determined by measuring the plans' funded status as of the Closing Date. Any excess projected benefit obligation over the fair value of plan assets was recognized as a liability. One of the significant assumptions in determining our projected benefit obligation is the discount rate. We determined the discount rate primarily by reference to annualized rates earned on high quality fixed income investments and yield-to-maturity analysis specific to estimated future benefit payments, which resulted in a weighted average discount rate of 7.8%. Other significant assumptions include the healthcare cost trend rate, retirement age, and mortality assumptions.

Derivative Instruments. Our results of operations are significantly impacted by changes in aircraft fuel prices, interest rates and foreign currency exchange rates. In an effort to manage our exposure to these risks, we periodically enter into derivative instruments, including fuel, interest rate and foreign currency hedges. These derivative instruments are comprised of contracts that are privately negotiated with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk).

- *Aircraft Fuel Derivatives.* Our fuel derivative instruments consist of crude oil, heating oil and jet fuel swap, collar and call option contracts. Swap contracts are valued under the income approach using a discounted cash flow model based on data either readily observable or derived from public markets. Option contracts are valued under the income approach using option pricing models. We have based our valuation assessments for our option contracts on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets.

- *Interest Rate Derivatives.* Our interest rate derivative instruments consist of swap and call option contracts and are valued based on data readily observable in public markets.

- *Foreign Currency Derivatives.* Our foreign currency derivative instruments consist of Japanese yen and Canadian dollar forward and collar contracts and are valued based on data readily observable in public markets.

We perform, at least quarterly, both a prospective and retrospective assessment of the effectiveness of our derivative instruments designated as hedges, including assessing the possibility of counterparty default. If we determine that a derivative is no longer expected to be highly effective, we discontinue hedge accounting prospectively and recognize subsequent changes in the fair value of the hedge in earnings. As a result of our effectiveness assessment at December 31, 2009, we believe our derivative instruments designated as hedges will continue to be highly effective in offsetting changes in cash flow attributable to the hedged risk.

Goodwill and Other Intangible Assets. Goodwill reflects (1) the excess of the reorganization value of the Successor over the fair values of tangible and identifiable intangible assets, net of liabilities, from the adoption of fresh start reporting, adjusted for impairment and (2) the excess of purchase price over the fair values of tangible and identifiable intangible assets acquired and liabilities assumed from Northwest in the Merger. The following table reflects the changes in the carrying amount of goodwill for the years ended December 31, 2008 and 2009:

(in millions)	Gross Carrying Amount	Impairment	Net
Balance at January 1, 2008	$12,104	$ —	$12,104
Impairment	—	(6,939)	(6,939)
Northwest Merger	4,572	—	4,572
Other	(6)	—	(6)
Balance at December 31, 2008	16,670	(6,939)	9,731
Northwest Merger	60	—	60
Other	(4)	—	(4)
Balance at December 31, 2009	$16,726	$(6,939)	$ 9,787

During 2008, we experienced a significant decline in market capitalization primarily from record high fuel prices and overall airline industry conditions. In addition, the announcement of our intention to merge with Northwest established a stock exchange ratio based on the relative valuation of Delta and Northwest (see Note 2 of the Notes to the Consolidated Financial Statements). We determined that these factors combined with further increases in fuel prices were an indicator that a goodwill impairment test was required. As a result, we estimated fair value based on a discounted projection of future cash flows, supported with a market-based valuation. We determined that goodwill was impaired and recorded a non-cash charge of $6.9 billion for the year ended December 31, 2008. In estimating fair value, we based our estimates and assumptions on the same valuation techniques employed and levels of inputs used to estimate the fair value of goodwill upon adoption of fresh start reporting.

Identifiable intangible assets reflect intangible assets (1) recorded as a result of our adoption of fresh start reporting upon emergence from bankruptcy and (2) acquired in the Merger. Indefinite-lived assets are not amortized. Definite-lived intangible assets are amortized on a straight-line basis or under the undiscounted cash flows method over the estimated economic life of the respective agreements and contracts.

In addition to the goodwill impairment charge discussed above, we recorded a non-cash charge of $357 million ($238 million after tax) for the year ended December 31, 2008 to reduce the carrying value of certain intangible assets based on their revised estimated fair values.

We apply a fair value-based impairment test to the net book value of goodwill and indefinite-lived intangible assets on an annual basis and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. The annual impairment test date for our goodwill and indefinite-lived intangible assets is October 1.

In evaluating our goodwill for impairment, we first compare our one reporting unit's fair value to its carrying value. We estimate the fair value of our reporting unit by considering (1) our market capitalization, (2) any premium to our market capitalization an investor would pay for a controlling interest, (3) the potential value of synergies and other benefits that could result from such interest, (4) market multiple and recent transaction values of peer companies and (5) projected discounted future cash flows, if reasonably estimable. If the reporting unit's fair value exceeds its carrying value, no further testing is required. If, however, the reporting unit's carrying value exceeds its fair value, we then determine the amount of the impairment charge, if any. We recognize an impairment charge if the carrying value of the reporting unit's goodwill exceeds its implied fair value.

We perform the impairment test for our indefinite-lived intangible assets by comparing the asset's fair value to its carrying value. Fair value is estimated based on (1) recent market transactions where available, (2) the lease savings method for airport slots (which reflects potential lease savings from owning the slots rather than leasing them from another airline at market rates), (3) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (4) projected discounted future cash flows. We recognize an impairment charge if the asset's carrying value exceeds its estimated fair value.

Changes in assumptions or circumstances could result in an additional impairment in the period in which the change occurs and in future years. Factors which could cause impairment include, but are not limited to, (1) negative trends in our market capitalization, (2) volatile fuel prices, (3) declining passenger mile yields, (4) lower passenger demand as a result of the weakened U.S. and global economy, (5) interruption to our operations due to an employee strike, terrorist attack, or other reasons, (6) changes to the regulatory environment and (7) consolidation of competitors in the industry.

Long-Lived Assets . Our flight equipment and other long-lived assets have a recorded value of $20.4 billion on our Consolidated Balance Sheet at December 31, 2009. This value is based on various factors, including the assets' estimated useful lives and their estimated salvage values. We record impairment losses on long-lived assets used in operations when events and circumstances indicate the assets may be impaired and the estimated future cash flows generated by those assets are less than their carrying amounts. If we decide to permanently remove flight equipment or other long-lived assets from operations, we will evaluate those assets for impairment. For long-lived assets held for sale, we record impairment losses when the carrying amount is greater than the fair value less the cost to sell. We discontinue depreciation of long-lived assets when these assets are classified as held for sale.

To determine impairments for aircraft used in operations, we group assets at the fleet-type level (the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel costs, labor costs and other relevant factors. If impairment occurs, the impairment loss recognized is the amount by which the aircraft's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available. For additional information about our accounting policy for the impairment of long-lived assets, see Note 1 of the Notes to the Consolidated Financial Statements.

Income Tax Valuation Allowance and Contingencies . We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets, and we establish valuation allowances if recovery is deemed not likely. In making this determination, we consider all available positive and negative evidence and make certain assumptions. We consider, among other things, our deferred tax liabilities, the overall business environment, our historical earnings and losses, our industry's historically cyclical periods of earnings and losses and potential, current and future tax planning strategies. We cannot presently determine when we will be able to generate sufficient taxable income to realize our deferred tax assets. Accordingly, we have recorded a full valuation allowance against our net deferred tax assets.

Our income tax provisions are based on calculations and assumptions that are subject to examination by the IRS and other taxing authorities. Although we believe that the positions taken on previously filed tax returns are reasonable, we have established tax and interest reserves in recognition that taxing authorities may challenge the positions we have taken, which could result in additional liabilities for taxes and interest. We review the reserves as circumstances warrant and adjust the reserves as events occur that affect our potential liability, such as lapsing of applicable statutes of limitations, conclusion of tax audits, a change in exposure based on current calculations, identification of new issues, release of administrative guidance or the rendering of a court decision affecting a particular issue. We would adjust the income tax provision in the period in which the facts that give rise to the revision become known.

Prior to January 1, 2009, in the event that an adjustment to the income tax provision related to a pre-emergence tax position or Northwest Merger-related tax position, we adjusted goodwill followed by other indefinite-lived intangible assets until the net carrying value of those assets was zero. Beginning January 1, 2009, any adjustments to the income tax provision in regard to pre-emergence tax positions are made through the income tax provision.

For additional information about income taxes, see Notes 1 and 9 of the Notes to the Consolidated Financial Statements.

Pension Plans . We sponsor defined benefit pension plans ("DB Plans") for our eligible employees and retirees. We currently estimate that expense for our DB Plans in 2010 will be approximately $400 million. The effect of our DB Plans on our Consolidated Financial Statements is subject to many assumptions. We believe the most critical assumptions are (1) the weighted average discount rate and (2) the expected long-term rate of return on the assets of our DB Plans.

We determine our weighted average discount rate on our measurement date primarily by reference to annualized rates earned on high quality fixed income investments and yield-to-maturity analysis specific to our estimated future benefit payments. We used a weighted average discount rate of 5.93% and 6.49% at December 31, 2009 and 2008, respectively. Additionally, our weighted average discount rate for net periodic benefit cost in each of the past three years has varied from the rate selected on our measurement date, ranging from 5.99% to 7.19% between 2007 and 2009, due to remeasurements throughout the year. The impact of a 0.50% change in our weighted average discount rate is shown in the table below.

The expected long-term rate of return on the assets of our DB Plans is based primarily on plan-specific investment studies using historical market returns and volatility data with forward looking estimates based on existing financial market conditions and forecasts. Modest excess return expectations versus some market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We review our rate of return on plan asset assumptions annually. These assumptions are largely based on the asset category rate-of-return assumptions developed annually with our pension investment advisors; however, our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. The investment strategy for DB Plan assets is to utilize a diversified mix of global public and private equity portfolios, public and private fixed income portfolios, and private real estate and natural resource investments to earn a long-term investment return that meets or exceeds a 9% annualized return target. The impact of a 0.50% change in our expected long-term rate of return is shown in the table below.

Change in Assumption	Effect on 2010 Pension Expense	Effect on Accrued Pension Liability at December 31, 2009
0.50% decrease in discount rate	+$ 8 million	+$ 1.0 billion
0.50% increase in discount rate	-$12 million	-$978 million
0.50% decrease in expected return on assets	+$37 million	—
0.50% increase in expected return on assets	-$37 million	—

For additional information about our DB Plans, see Note 10 of the Notes to the Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In September 2009, the Financial Accounting Standards Board (the “FASB”) issued “Revenue Arrangements with Multiple Deliverables.” The standard revises guidance on (1) the determination of when individual deliverables may be treated as separate units of accounting and (2) the allocation of transaction consideration among separately identified deliverables. It also expands disclosure requirements regarding an entity’s multiple element revenue arrangements. The standard is effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

In April 2009, the FASB issued “Interim Disclosures about Fair Value of Financial Instruments.” The standard amends required disclosures about the fair value of financial instruments in interim and annual financial statements. We adopted this standard on April 1, 2009.

In December 2008, the FASB issued “Employers’ Disclosures about Postretirement Benefit Plan Assets.” It requires additional annual disclosures about assets held in an employer’s defined benefit pension or other postretirement plan, primarily related to categories and fair value measurements of plan assets. We adopted this standard on January 1, 2009. For additional information regarding this standard, see Note 3 of the Notes to the Consolidated Financial Statements.

In March 2008, the FASB issued “Disclosures about Derivative Instruments and Hedging Activities.” The standard requires enhanced disclosures about (1) how and why an entity uses derivative instruments, (2) how derivative instruments and related hedged items are accounted for and (3) how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. This standard is effective for interim and annual periods. We adopted this standard on January 1, 2009.

In December 2007, the FASB issued “Business Combinations (revised 2007).” The standard provides guidance for recognizing and measuring goodwill acquired in a business combination and requires disclosure of information regarding the nature and financial effects of a business combination. It also revises the treatment of valuation allowance adjustments related to income tax benefits in existence prior to a business combination or prior to the adoption of fresh start reporting. Under the original standard, any reduction in the valuation allowance from the recognition of deferred tax assets is adjusted through goodwill, followed by other indefinite-lived intangible assets until the net carrying costs of these assets is zero. In contrast, this revised standard requires that any reduction in this valuation allowance be reflected through the income tax provision. This standard is effective for fiscal years beginning on January 1, 2009.

Supplemental Information

Under GAAP, we do not include in our Consolidated Financial Statements the results of Northwest on or before the Closing Date. Accordingly, our financial results under GAAP for the year ended December 31, 2008, include the results of Northwest only for the period from October 30 to December 31, 2008. This impacts the comparability of our financial statements under GAAP for the years ended December 31, 2009 and 2008. Financial results on a combined basis for the year ended December 31, 2008 include the financial results for both Delta and Northwest beginning January 1, 2008. We believe presenting the 2008 financial information on a combined basis provides useful information for comparing our financial performance in 2009 and 2008.

(in millions)	GAAP Year Ended December 31, 2009	Combined Year Ended December 31, 2008
Aircraft fuel and related taxes	$7,384	$ 7,346
Northwest results for the period January 1 to October 29, 2008	—	4,996
Contract carrier aircraft fuel	907	1,740
Mark-to-market adjustments to fuel hedges settling in future periods	—	(410)
Total fuel expense excluding mark-to-market adjustments to fuel hedges settling in future periods	$8,291	$13,672

	GAAP 2009 vs. Combined 2008
2009 average price per fuel gallon, net of hedging activity	$ 2.15
2008 combined fuel gallons consumed (in millions)	4,158
2008 combined average price per fuel gallon, net of hedging activity	$ 3.29
Change year-over-year in fuel price per gallon, net of hedging activity	(35)%

	GAAP 2009 vs. Combined 2008
2009 PRASM	10.34¢
2008 combined ASMs (in millions)	246,164
2008 combined PRASM	12.07¢
Change year-over-year in combined PRASM	(14)%

	GAAP 2009 vs. Combined 2008
2009 passenger mile yield	12.60¢
2008 combined revenue passenger miles (in millions)	202,726
2008 combined passenger mile yield	14.65¢
Change year-over-year in combined passenger mile yield	(14)%

We present CASM excluding fuel expense and related taxes because management believes the volatility in fuel prices impacts the comparability of year-over-year financial performance. In addition, we exclude special items because management believes the exclusion of these items is helpful to investors to evaluate the company's recurring operational performance.

CASM and Combined CASM exclude ancillary businesses which are not associated with the generation of a seat mile. These businesses include aircraft maintenance and staffing services which we provide to third parties, our dedicated freighter operations and our vacation wholesale operations.

	GAAP Year Ended December 31, 2009	Combined Year Ended December 31, 2008
CASM	12.32¢	19.40¢
Ancillary businesses	(0.31)	(0.48)
CASM excluding items not related to generation of a seat mile	12.01¢	18.92¢
Items excluded:		
Impairment of goodwill and other assets	—	(4.79)
Restructuring and merger-related items	(0.18)	(0.59)
Mark-to-market adjustments to fuel hedges settling in future periods	—	(0.17)
CASM excluding special items	11.83¢	13.37¢
Fuel expense and related taxes	(3.55)	(5.39)
CASM excluding fuel expense and related taxes and special items	8.28¢	7.98¢

Glossary of Defined Terms

ASM —Available Seat Mile. A measure of capacity. ASMs equal the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

CASM —(Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period, also referred to as "unit cost."

Passenger Load Factor —A measure of utilized available seating capacity calculated by dividing RPMs by ASMs for a reporting period.

Passenger Mile Yield or Yield —The amount of passenger revenue earned per RPM during a reporting period.

RASM or PRASM —(Operating or Passenger) Revenue per ASM. The amount of operating or passenger revenue earned per ASM during a reporting period. Passenger RASM is also referred to as "unit revenue."

RPM —Revenue Passenger Mile. One revenue-paying passenger transported one mile. RPMs equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period. RPMs are also referred to as "traffic."

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have significant market risk exposure related to aircraft fuel prices, interest rates and foreign currency exchange rates. Market risk is the potential negative impact of adverse changes in these prices or rates on our Consolidated Financial Statements. To manage the volatility relating to these exposures, we periodically enter into derivative transactions pursuant to stated policies. We expect adjustments to the fair value of financial instruments to result in ongoing volatility in earnings and stockholders' equity.

The following sensitivity analyses do not consider the effects of a change in demand for air travel, the economy as a whole or actions we may take to seek to mitigate our exposure to a particular risk. For these and other reasons, the actual results of changes in these prices or rates may differ materially from the following hypothetical results.

Aircraft Fuel Price Risk

Our results of operations are materially impacted by changes in aircraft fuel prices. In an effort to manage our exposure to this risk, we periodically enter into derivative instruments designated as cash flow hedges, which are comprised of crude oil, heating oil and jet fuel swap, collar and call option contracts, to hedge a portion of our projected aircraft fuel requirements, including those of our Contract Carriers under capacity purchase agreements.

As of January 31, 2010, our open fuel hedge position for the year ending December 31, 2010 is as follows:

(in millions, unless otherwise stated)	Weighted Average Contract Strike Price per Gallon	Percentage of Projected Fuel Requirements Hedged	Contract Fair Value at January 31, 2010 Based Upon $73 per Barrel of Crude Oil
2010			
Crude Oil			
Call options	$ 1.78	12%	$ 81
Collars—cap/floor	1.90/1.66	5	1
Swaps	1.87	3	(13)
Jet Fuel			
Swaps	2.08	4	(13)
Total		24%	$ 56

For 2009, aircraft fuel and related taxes, including our Contract Carriers under capacity purchase agreements, accounted for $8.3 billion, or 29%, of our total operating expense, including $1.4 billion of fuel hedge losses. The following table shows the projected impact to aircraft fuel expense and fuel hedge margin for 2010 based on the impact of our open fuel hedge contracts at January 31, 2010, assuming the following per barrel prices of crude oil:

(in millions, except per barrel prices)	(Increase) Decrease to Aircraft Fuel Expense (1)	Hedge Gain (Loss) (2)	Net impact	Fuel Hedge Margin Received from (Posted to) Counterparties
$60 / barrel	$ 1,315	$(135)	$ 1,180	$ (25)
$80 / barrel	(391)	129	(262)	2
$100 / barrel	(2,098)	519	(1,579)	230
$120 / barrel	(3,805)	936	(2,869)	589

(1) Projection based upon the (increase) decrease to fuel expense as compared to the estimated crude oil price per barrel of $77 and estimated aircraft fuel consumption of 3.6 billion gallons for the 11 months ending December 31, 2010.

(2) Projection based upon average futures prices per gallon by contract settlement month.

Interest Rate Risk

Our exposure to market risk from adverse changes in interest rates is primarily associated with our long-term debt obligations. Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. We had $9.6 billion of fixed-rate long-term debt and $8.5 billion of variable-rate long-term debt at December 31, 2009. At December 31, 2009, an increase of 100 basis points in average annual interest rates would have decreased the estimated fair value of our fixed-rate long-term debt by $297 million and increased interest expense on our variable-rate long-term debt by $82 million.

Foreign Currency Exchange Risk

Our results of operations may be impacted by foreign exchange rate fluctuations on the U.S. dollar value of foreign currency-denominated operating revenue and expense. Our largest exposures come from the Japanese yen and Canadian dollar. In general, a weakening yen or Canadian dollar relative to the U.S. dollar results in (1) our operating income being unfavorably impacted to the extent net yen or Canadian dollar-denominated revenues exceed expenses and (2) recognition of a non-operating foreign currency gain due to the remeasurement of net yen or Canadian dollar-denominated liabilities. To manage exchange rate risk, we attempt to execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. We believe changes in foreign currency exchange rates are not material to our results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Delta Air Lines, Inc.

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (the Company) as of December 31, 2009 (Successor) and 2008 (Successor), and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years ended December 31, 2009 (Successor) and 2008 (Successor), the eight-month period ended December 31, 2007 (Successor) and the four-month period ended April 30, 2007 (Predecessor). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Delta Air Lines, Inc. at December 31, 2009 (Successor) and 2008 (Successor), and the consolidated results of its operations and its cash flows for the years ended December 31, 2009 (Successor) and 2008 (Successor), the eight-month period ended December 31, 2007 (Successor) and the four-month period ended April 30, 2007 (Predecessor), in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, Delta Air Lines, Inc. and its subsidiaries which had filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code emerged from bankruptcy on April 30, 2007. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with Accounting Standards Codification ("ASC") 852, "Reorganizations," for the Successor Company as a new entity with assets, liabilities and a capital structure having carrying values not comparable with prior periods as described in Note 1.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2009 (Successor), based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2010 expressed an unqualified opinion thereon **.**

/s/ Ernst & Young LLP

Atlanta, Georgia
February 24, 2010

DELTA AIR LINES, INC.
Consolidated Balance Sheets

(in millions, except share data)	December 31, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,607	$ 4,255
Short-term investments	71	212
Restricted cash and cash equivalents	423	429
Accounts receivable, net of an allowance for uncollectible accounts of $47 and $42 at December 31, 2009 and 2008, respectively	1,353	1,513
Hedge margin receivable	7	1,139
Expendable parts and supplies inventories, net of an allowance for obsolescence of $75 and $32 at December 31, 2009 and 2008, respectively	327	388
Deferred income taxes, net	107	401
Prepaid expenses and other	846	637
Total current assets	7,741	8,974
Property and Equipment, Net:		
Property and equipment, net of accumulated depreciation and amortization of $2,924 and $1,558 at December 31, 2009 and 2008, respectively	20,433	20,627
Other Assets:		
Goodwill	9,787	9,731
Identifiable intangibles, net of accumulated amortization of $451 and $354 at December 31, 2009 and 2008, respectively	4,829	4,944
Other noncurrent assets	749	808
Total other assets	15,365	15,483
Total assets	$ 43,539	$ 45,084
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt and capital leases	$ 1,533	$ 1,160
Air traffic liability	3,074	3,385
Accounts payable	1,249	1,604
Frequent flyer deferred revenue	1,614	1,624
Accrued salaries and related benefits	1,037	972
Hedge derivatives liability	139	1,247
Taxes payable	525	565
Other accrued liabilities	626	535
Total current liabilities	9,797	11,092
Noncurrent Liabilities:		
Long-term debt and capital leases	15,665	15,411
Pension, postretirement and related benefits	11,745	10,895
Frequent flyer deferred revenue	3,198	3,489
Deferred income taxes, net	1,667	1,981
Other noncurrent liabilities	1,222	1,342
Total noncurrent liabilities	33,497	33,118
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at $0.0001 par value; 1,500,000,000 shares authorized, 794,873,058 and 702,685,427 shares issued at December 31, 2009 and 2008, respectively	—	—
Additional paid-in capital	13,827	13,714
Accumulated deficit	(9,845)	(8,608)
Accumulated other comprehensive loss	(3,563)	(4,080)
Treasury stock, at cost, 10,918,274 and 7,548,543 shares at December 31, 2009 and 2008, respectively	(174)	(152)
Total stockholders' equity	245	874
Total liabilities and stockholders' equity	$ 43,539	$ 45,084

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Operations

(in millions, except per share data)	Successor: Year Ended December 31, 2009	Successor: Year Ended December 31, 2008	Successor: Eight Months Ended December 31, 2007	Predecessor: Four Months Ended April 30, 2007
Operating Revenue:				
Passenger:				
Mainline	$18,522	$15,137	$ 8,929	$ 3,829
Regional carriers	5,285	4,446	2,874	1,296
Total passenger revenue	23,807	19,583	11,803	5,125
Cargo	788	686	334	148
Other, net	3,468	2,428	1,221	523
Total operating revenue	28,063	22,697	13,358	5,796
Operating Expense:				
Aircraft fuel and related taxes	7,384	7,346	3,416	1,270
Salaries and related costs	6,838	4,329	2,592	1,167
Contract carrier arrangements	3,823	3,766	2,271	1,004
Contracted services	1,595	1,062	611	299
Depreciation and amortization	1,536	1,266	778	386
Aircraft maintenance materials and outside repairs	1,434	1,169	663	320
Passenger commissions and other selling expenses	1,405	1,030	635	298
Landing fees and other rents	1,289	787	475	250
Passenger service	638	440	243	95
Aircraft rent	480	307	156	90
Profit sharing	—	—	144	14
Impairment of goodwill and other intangible assets	—	7,296	—	—
Restructuring and merger-related items	407	1,131	—	—
Other	1,558	1,082	578	303
Total operating expense	28,387	31,011	12,562	5,496
Operating (Loss) Income	(324)	(8,314)	796	300
Other (Expense) Income:				
Interest expense (contractual interest expense totaled $366 for the four months ended April 30, 2007)	(1,278)	(705)	(390)	(262)
Interest income	27	92	114	14
Loss on extinguishment of debt	(83)	—	—	—
Miscellaneous, net	77	(114)	5	27
Total other expense, net	(1,257)	(727)	(271)	(221)
(Loss) Income Before Reorganization Items, Net	(1,581)	(9,041)	525	79
Reorganization Items, Net	—	—	—	1,215
(Loss) Income Before Income Taxes	(1,581)	(9,041)	525	1,294
Income Tax Benefit (Provision)	344	119	(211)	4
Net (Loss) Income	$ (1,237)	$ (8,922)	$ 314	$ 1,298
Basic (Loss) Income per Share	$ (1.50)	$ (19.08)	$ 0.80	$ 6.58
Diluted (Loss) Income per Share	$ (1.50)	$ (19.08)	$ 0.79	$ 4.63

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents

DELTA AIR LINES, INC.
Consolidated Statements of Cash Flow

(in millions)	Successor: Year Ended December 31, 2009	Successor: Year Ended December 31, 2008	Successor: Eight Months Ended December 31, 2007	Predecessor: Four Months Ended April 30, 2007
Cash Flows From Operating Activities:				
Net (loss) income	$(1,237)	$(8,922)	$ 314	$ 1,298
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,536	1,266	778	386
Amortization of debt discount (premium), net	370	20	(125)	—
Loss on extinguishment of debt	83	—	—	—
Fuel hedge derivative instruments	(148)	(443)	26	(46)
Deferred income taxes	(329)	(119)	211	(4)
Pension, postretirement and postemployment expense in excess of (less than) payments	307	(278)	(604)	(20)
Equity-based compensation expense	108	54	112	—
Impairment of goodwill and other intangible assets	—	7,296	—	—
Restructuring and merger-related items	—	892	—	—
Reorganization items, net	—	—	—	(1,215)
Changes in certain current assets and liabilities:				
Decrease in short-term investments	—	36	50	426
Decrease (increase) in receivables	147	194	108	(123)
Decrease (increase) in hedge margin receivables	1,132	(680)	—	—
Decrease (increase) in restricted cash and cash equivalents	79	320	473	(390)
(Increase) decrease in prepaid expenses and other current assets	(61)	(18)	(111)	2
(Decrease) increase in air traffic liability	(286)	(374)	(585)	763
(Decrease) increase in frequent flyer deferred revenue	(298)	(255)	(143)	469
Increase (decrease) in accounts payable and accrued liabilities	143	(526)	(217)	(263)
Other, net	(167)	(170)	47	(258)
Net cash provided by (used in) operating activities	1,379	(1,707)	334	1,025
Cash Flows From Investing Activities:				
Property and equipment additions:				
Flight equipment, including advance payments	(951)	(1,281)	(643)	(167)
Ground property and equipment, including technology	(251)	(241)	(185)	(41)
(Increase) decrease in restricted cash and cash equivalents	(59)	609	129	56
Decrease (increase) in short-term investments	142	(92)	—	—
Increase in cash in connection with the Merger	—	2,441	—	—
Proceeds from sales of flight equipment	100	154	84	21
Proceeds from sales of investments	15	—	83	34
Other, net	(4)	8	4	—
Net cash (used in) provided by investing activities	(1,008)	1,598	(528)	(97)
Cash Flows From Financing Activities:				
Payments on long-term debt and capital lease obligations	(2,891)	(1,296)	(1,314)	(2,242)
Proceeds from long-term obligations	2,966	2,132	2,005	1,500
Proceeds from American Express Agreement	—	1,000	—	—
Payment of short-term obligations, net	—	(300)	—	—
Proceeds from sale of treasury stock, net of commissions	—	192	—	—
Other, net	(94)	(12)	(19)	(50)
Net cash (used in) provided by financing activities	(19)	1,716	672	(792)
Net Increase in Cash and Cash Equivalents	352	1,607	478	136
Cash and cash equivalents at beginning of period	4,255	2,648	2,170	2,034
Cash and cash equivalents at end of period	$ 4,607	$ 4,255	$ 2,648	$ 2,170
Supplemental disclosure of cash paid for interest	$ 867	$ 742	$ 363	$ 243
Non-cash transactions:				
Shares of Delta common stock issued or issuable in connection with the Merger	$ —	$ 3,251	$ —	$ —

Aircraft delivered under seller financing	139	—	—	—
Flight equipment	—	13	—	135
Flight equipment under capital leases	57	32	35	117
Debt discount on American Express Agreement	—	303	—	—

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Stockholders' Equity (Deficit)

(in millions, except per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock Shares	Treasury Stock Amount	Total
Balance at January 1, 2007 (Predecessor)	202	$ 2	$ 1,561	$ (14,444)	$ (518)	5	$ (224)	$(13,623)
Comprehensive income:								
Net income from January 1 to April 30, 2007	—	—	—	1,298	—	—	—	1,298
Other comprehensive income	—	—	—	—	75	—	—	75
Total comprehensive income								1,373
Balance at April 30, 2007 (Predecessor)	202	2	1,561	(13,146)	(443)	5	(224)	(12,250)
Fresh start adjustments:								
Cancellation of Predecessor common stock	(202)	(2)	(1,561)	—	—	(5)	224	(1,339)
Elimination of Predecessor accumulated deficit and accumulated other comprehensive loss	—	—	—	13,146	443	—	—	13,589
Reorganization value ascribed to Successor	—	—	9,400	—	—	—	—	9,400
Balance at May 1, 2007 (Successor)	—	—	9,400	—	—	—	—	9,400
Comprehensive income:								
Net income from May 1 to December 31, 2007	—	—	—	314	—		—	314
Other comprehensive income	—	—	—	—	435		—	435
Total comprehensive income								749
Shares of common stock issued pursuant to Delta's Plan of Reorganization (Treasury shares withheld for payment of taxes, $20.32 per share) (1)	278	—	—	—	—	1	(20)	(20)
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, $20.56 per share) (1)	21	—	112	—	—	6	(128)	(16)
Balance at December 31, 2007 (Successor)	299	—	9,512	314	435	7	(148)	10,113
Comprehensive loss:								
Net loss	—	—	—	(8,922)	—	—	—	(8,922)
Other comprehensive loss	—	—	—	—	(4,515)	—	—	(4,515)
Total comprehensive loss						—		(13,437)
Shares of common stock issued pursuant to Delta's Plan of Reorganization	19	—	—	—	—	—	—	—
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, $10.73 per share) (1)	1	—	54	—	—	—	(4)	50
Stock options assumed in connection with the Merger	—	—	18	—	—	—	—	18
Shares of common stock issued or issuable in exchange for Northwest common stock outstanding or issuable in connection with the Merger	330	—	3,251	—	—	—	—	3,251
Shares of common stock issued or issuable in connection with the Merger (Treasury shares withheld for payment of taxes, $10.92 per share) (1)	52	—	803	—	—	16	(171)	632
Shares of common stock issued and compensation expense associated with vesting equity awards in connection with the Merger (Treasury shares withheld for payment of taxes, $7.99 per share) (1)	2	—	75	—	—	3	(20)	55
Sale of Treasury shares ($10.78 per share) (1)	—	—	1	—	—	(18)	191	192
Balance at December 31, 2008 (Successor)	703	—	13,714	(8,608)	(4,080)	8	(152)	874
Comprehensive loss:								
Net loss	—	—	—	(1,237)	—	—	—	(1,237)
Other comprehensive income	—	—	—	—	517	—	—	517
Total comprehensive loss						—		(720)
Shares of common stock issued pursuant to Delta's Plan of Reorganization	36	—	—	—	—	—	—	—
Shares of common stock issued pursuant to Northwest's Plan of Reorganization	3	—	—	—	—	—	—	—
Shares of common stock issued to Delta and Northwest pilots in connection with the Merger (Treasury shares withheld for payment of taxes, $4.55 per share) (1)	50	—	—	—	—	—	(2)	(2)
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, $6.77 per share) (1)	3	—	108	—	—	3	(20)	88
Stock options exercised	—	—	5	—	—	—	—	5
Balance at December 31, 2009 (Successor)	795	$ —	$ 13,827	$ (9,845)	$ (3,563)	11	$ (174)	$ 245

(1) Weighted average price per share

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Delta Air Lines, Inc., a Delaware corporation, provides scheduled air transportation for passengers and cargo throughout the United States ("U.S.") and around the world.

On October 29, 2008 (the "Closing Date"), a wholly-owned subsidiary of Delta merged (the "Merger") with and into Northwest Airlines Corporation. On the Closing Date, (1) Northwest Airlines Corporation and its wholly-owned subsidiaries, including Northwest Airlines, Inc. (collectively, "Northwest"), became wholly-owned subsidiaries of Delta and (2) each share of Northwest common stock outstanding on the Closing Date or issuable under Northwest's Plan of Reorganization (as defined below) was converted into the right to receive 1.25 shares of Delta common stock.

On December 31, 2009, Northwest Airlines, Inc. merged with and into Delta. As a result of this merger, Northwest Airlines, Inc. ceased to exist as a separate entity.

Unless otherwise indicated, Delta Air Lines, Inc. and our wholly-owned subsidiaries are collectively referred to as "Delta," "we," "us," and "our." Prior to October 30, 2008, these references do not include Northwest.

In September 2005, we and substantially all of our subsidiaries (the "Delta Debtors") filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code"). On April 30, 2007 (the "Effective Date"), the Delta Debtors emerged from bankruptcy. Upon emergence from Chapter 11, we adopted fresh start reporting, which resulted in our becoming a new entity for financial reporting purposes. Accordingly, the Consolidated Financial Statements on or after May 1, 2007 are not comparable to the Consolidated Financial Statements prior to that date.

Fresh start reporting requires resetting the historical net book value of assets and liabilities to fair value by allocating the entity's reorganization value to its assets and liabilities. The excess reorganization value over the fair value of tangible and identifiable intangible assets was recorded as goodwill on our Consolidated Balance Sheet. For additional information regarding the impact of fresh start reporting on the Consolidated Balance Sheet as of the Effective Date, see Note 11.

References in this Form 10-K to "Successor" refer to Delta on or after May 1, 2007, after giving effect to (1) the cancellation of Delta common stock issued prior to the Effective Date, (2) the issuance of new Delta common stock and certain debt securities in accordance with the Delta Debtors' Joint Plan of Reorganization ("Delta's Plan of Reorganization"), and (3) the application of fresh start reporting. References to "Predecessor" refer to Delta prior to May 1, 2007.

In September 2005, Northwest and substantially all of its subsidiaries (the "Northwest Debtors") filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. On May 31, 2007, the Northwest Debtors emerged from bankruptcy pursuant to the Northwest Debtors' First Amended Joint and Consolidated Plan of Reorganization ("Northwest's Plan of Reorganization").

Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Our Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our wholly-owned subsidiaries. As a result of the Merger, the accounts of Northwest are included for all periods subsequent to the Closing Date.

In preparing the Consolidated Financial Statements for the Predecessor, we distinguished transactions and events that were directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain revenues, expenses, realized gains and losses and provisions for losses that were realized or incurred in the bankruptcy proceedings were recorded in reorganization items, net on the accompanying Consolidated Statements of Operations.

We eliminate all material intercompany transactions in our Consolidated Financial Statements. We do not consolidate the financial statements of any company in which we have an ownership interest of 50% or less unless we control that company or it is a variable interest entity for which we are the primary beneficiary. We did not have the power to direct the activities of any company in which we had an ownership interest of 50% or less, or have any material variable interest entity, for any period presented in our Consolidated Financial Statements.

We have marketing alliances with other airlines to enhance our access to domestic and international markets. These arrangements can include codesharing, reciprocal frequent flyer program benefits, shared or reciprocal access to passenger lounges, joint promotions, common use of airport gates and ticket counters, ticket office co-location and other marketing agreements. We have received antitrust immunity for certain of our marketing arrangements, which enables us to offer a more integrated route network and develop common sales, marketing and discount programs for customers. Some of our marketing arrangements provide for the sharing of revenues and expenses. Revenues and expenses associated with collaborative arrangements are presented on a gross basis in the applicable line items on our Consolidated Statements of Operations.

We evaluated the financial statements for subsequent events through the date of the filing of this Form 10-K, which is the date the financial statements were issued.

Use of Estimates

We are required to make estimates and assumptions when preparing our Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the amounts reported in our Consolidated Financial Statements and the accompanying notes. Actual results could differ materially from those estimates.

New Accounting Standards

In September 2009, the Financial Accounting Standards Board (the "FASB") issued "Revenue Arrangements with Multiple Deliverables." The standard revises guidance on (1) the determination of when individual deliverables may be treated as separate units of accounting and (2) the allocation of transaction consideration among separately identified deliverables. It also expands disclosure requirements regarding an entity's multiple element revenue arrangements. The standard is effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

In April 2009, the FASB issued "Interim Disclosures about Fair Value of Financial Instruments." The standard amends required disclosures about the fair value of financial instruments in interim and annual financial statements. We adopted this standard on April 1, 2009.

In December 2008, the FASB issued "Employers' Disclosures about Postretirement Benefit Plan Assets." It requires additional annual disclosures about assets held in an employer's defined benefit pension or other postretirement plan, primarily related to categories and fair value measurements of plan assets. We adopted this standard on January 1, 2009. For additional information regarding this standard, see Note 3.

In March 2008, the FASB issued "Disclosures about Derivative Instruments and Hedging Activities." The standard requires enhanced disclosures about (1) how and why an entity uses derivative instruments, (2) how derivative instruments and related hedged items are accounted for and (3) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This standard is effective for interim and annual periods. We adopted this standard on January 1, 2009.

In December 2007, the FASB issued "Business Combinations (revised 2007)." The standard provides guidance for recognizing and measuring goodwill acquired in a business combination and requires disclosure of information regarding the nature and financial effects of a business combination. It also revises the treatment of valuation allowance adjustments related to income tax benefits in existence prior to a business combination or prior to the adoption of fresh start reporting. Under the original standard, any reduction in the valuation allowance from the recognition of deferred tax assets is adjusted through goodwill, followed by other indefinite-lived intangible assets until the net carrying costs of these assets is zero. In contrast, this revised standard requires that any reduction in this valuation allowance be reflected through the income tax provision. This standard is effective for fiscal years beginning on January 1, 2009.

Cash and Cash Equivalents

Short-term, highly liquid investments with maturities of three months or less when purchased, which primarily consist of money market funds and treasury bills, are classified as cash and cash equivalents. These investments are recorded at cost, which approximates fair value.

Short-Term Investments

Investments with maturities of less than one year when purchased are classified as short-term investments. At December 31, 2009 and 2008, our short-term investments were comprised of an investment in The Reserve Primary Fund (the "Primary Fund"), a money market fund that is undergoing an orderly liquidation. We record these investments as available-for-sale securities at fair value on our Consolidated Balance Sheets. For additional information regarding the Primary Fund, see Note 3.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents, which primarily consist of money market funds and time deposits, included in current assets on our Consolidated Balance Sheets totaled $423 million and $429 million at December 31, 2009 and 2008, respectively. Restricted cash recorded in other noncurrent assets on our Consolidated Balance Sheets totaled $16 million and $24 million at December 31, 2009 and 2008, respectively. Restricted cash and cash equivalents are recorded at cost, which approximates fair value.

At December 31, 2009 and 2008, our restricted cash and cash equivalents primarily related to cash held to meet certain projected self-insurance obligations.

Accounts Receivable

Accounts receivable primarily consist of amounts due from credit card companies, customers of our aircraft maintenance and cargo transportation services and other airlines associated with frequent flyer programs. We provide an allowance for uncollectible accounts equal to the estimated losses expected to be incurred based on historical chargebacks, write-offs, bankruptcies and other specific analyses. Bad debt expense and write-offs were not material for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007.

Derivative Financial Instruments

Our results of operations are significantly impacted by changes in aircraft fuel prices, interest rates and foreign currency exchange rates. In an effort to manage our exposure to these risks, we periodically enter into derivative instruments, including fuel, interest rate and foreign currency hedges. We recognize all derivative instruments as either assets or liabilities at fair value on our Consolidated Balance Sheets and recognize certain changes in the fair value of derivative instruments on our Consolidated Statements of Operations.

We perform, at least quarterly, both a prospective and retrospective assessment of the effectiveness of our derivative instruments designated as hedges, including assessing the possibility of counterparty default. If we determine that a derivative is no longer expected to be highly effective, we discontinue hedge accounting prospectively and recognize subsequent changes in the fair value of the hedge in earnings. As a result of our effectiveness assessment at December 31, 2009, we believe our derivative instruments designated as hedges will continue to be highly effective in offsetting changes in cash flow or fair value attributable to the hedged risk.

Cash flow hedges

For derivative instruments that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of accumulated other comprehensive loss and reclassified into earnings in the same period during which the hedged transaction affects earnings. The effective portion of the derivative represents the change in fair value of the hedge that offsets the change in fair value of the hedged item. To the extent the change in the fair value of the hedge does not perfectly offset the change in the fair value of the hedged item, the ineffective portion of the hedge is immediately recognized in other (expense) income on our Consolidated Statements of Operations. The following table summarizes the accounting treatment and classification of our cash flow hedges on our Consolidated Financial Statements:

		Impact of Unrealized Gains and Losses	
		Consolidated Balance Sheets	Consolidated Statements of Operations
Derivative Instrument [(1)]	**Hedged Risk**	**Effective Portion**	**Ineffective Portion**
Designated as cash flow hedges:			
Fuel hedges consisting of crude oil, heating oil, and jet fuel swaps, collars and call options [(2)]	Volatility in jet fuel prices	Effective portion of hedge is recorded in accumulated other comprehensive loss	Excess, if any, over effective portion of hedge is recorded in other (expense) income
Interest rate swaps and call options	Increase in interest rates	Entire hedge is recorded in accumulated other comprehensive loss	Expect hedge to fully offset hedged risk; no ineffectiveness recorded
Foreign currency forwards and collars	Fluctuations in foreign currency exchange rates	Entire hedge is recorded in accumulated other comprehensive loss	Expect hedge to fully offset hedged risk; no ineffectiveness recorded
Not designated as hedges:			
Fuel contracts consisting of crude oil, heating oil and jet fuel extendable swaps and three-way collars	Volatility in jet fuel prices	Entire amount of change in fair value of hedge is recorded in aircraft fuel expense and related taxes	

(1) In the Merger, we assumed Northwest's outstanding hedge contracts, which included fuel, interest rate and foreign currency cash flow hedges. On the Closing Date, we designated certain of these contracts as hedges. The remaining Northwest derivative contracts did not qualify for hedge accounting and settled as of June 30, 2009.

(2) Ineffectiveness on our fuel hedge option contracts is calculated using a "perfectly effective" hypothetical derivative, which acts as a proxy for the fair value of the change in expected cash flows from the purchase of aircraft fuel.

Fair value hedges

For derivative instruments that are designated as fair value hedges, the gain or loss on the derivative and the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. We include the gain or loss on the hedged item in the same account as the offsetting loss or gain on the related derivative instrument, resulting in no impact to our Consolidated Statements of Operations. The following table summarizes the accounting treatment and classification of our fair value hedges on our Consolidated Financial Statements:

		Impact of Unrealized Gains and Losses	
		Consolidated Balance Sheets	Consolidated Statements of Operations
Derivative Instrument	**Hedged Risk**	**Effective Portion**	**Ineffective Portion**
Designated as fair value hedges:			
Interest rate swaps	Reduction in fair value from an increase in interest rates	Entire fair value of hedge is recorded in long-term debt and capital leases	Expect hedge to be perfectly effective at offsetting changes in fair value of the related debt; no ineffectiveness recorded

Hedge Margin

In accordance with our fuel and interest rate hedge agreements, (1) we may require counterparties to fund the margin associated with our gain position on hedge contracts and/or (2) counterparties may require us to fund the margin associated with our loss position on these contracts. The amount of the margin, if any, is periodically adjusted based on the fair value of the hedge contracts. The margin requirements are intended to mitigate a party's exposure to market volatility and the associated contracting party risk. We do not offset margin funded to counterparties or margin funded to us by counterparties against fair value amounts recorded for our hedge contracts.

The hedge margin we receive from counterparties is recorded, as appropriate, in cash and cash equivalents or restricted cash, with the offsetting obligation in accounts payable on our Consolidated Balance Sheets. The hedge margin we provide to counterparties is recorded in hedge margin receivable or restricted cash on our Consolidated Balance Sheets. All cash flows associated with purchasing and settling fuel hedge contracts are classified as operating cash flows on our Consolidated Statements of Cash Flow.

Our foreign currency hedge agreements do not require the counterparties or us to fund margin associated with our gain or loss position under those contracts.

Revenue Recognition

Passenger Revenue

Passenger Tickets. We record sales of passenger tickets in air traffic liability on our Consolidated Balance Sheets. Passenger revenue is recognized when we provide transportation or when the ticket expires unused, reducing the related air traffic liability. We periodically evaluate the estimated air traffic liability and record any resulting adjustments in our Consolidated Statements of Operations in the period in which the evaluations are completed. These adjustments relate primarily to refunds, exchanges, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

Taxes and Fees. We are required to charge certain taxes and fees on our passenger tickets, including U.S. federal transportation taxes, federal security charges, airport passenger facility charges and foreign arrival and departure taxes. These taxes and fees are legal assessments on the customer for which we have an obligation to act as a collection agent. Because we are not entitled to retain these taxes and fees, we do not include such amounts in passenger revenue. We record a liability when the amounts are collected and reduce the liability when payments are made to the applicable government agency or operating carrier.

Frequent Flyer Programs. We have a frequent flyer program (the "SkyMiles Program") offering incentives to increase travel on Delta. This program allows participants to earn mileage credits by flying on Delta, regional air carriers with which we have contract carrier agreements ("Contract Carriers") and participating airlines, as well as through participating companies such as credit card companies, hotels and car rental agencies. We also sell mileage credits to other airlines and to non-airline businesses. Mileage credits can be redeemed for free or upgraded air travel on Delta and participating airlines, for membership in our Sky Club and for other program awards.

In the Merger, we assumed Northwest's frequent flyer program (the "WorldPerks Program"). In October 2009, we completed the consolidation of the SkyMiles and WorldPerks Programs, which combined miles from each program at a one-to-one ratio. The WorldPerks Program was accounted for under the same methodology as the SkyMiles Program.

Upon emergence from bankruptcy, we changed our accounting policy to a deferred revenue model for all frequent flyer miles. We account for all miles earned and sold as separate deliverables in a multiple element revenue arrangement.

We use the residual method for revenue recognition of mileage credits. The fair value of the mileage credit component is determined based on prices at which we sell mileage credits to other airlines, currently $0.0054 per mile, and is re-evaluated at least annually. Under the residual method, the portion of the revenue from the sale of mileage credits and the mileage component of passenger ticket sales that approximates fair value is deferred and recognized as passenger revenue when miles are redeemed and services are provided based on the weighted-average price of all miles that have been deferred. The portion of the revenue received in excess of the fair value of mileage credits sold (the "Marketing Premium") is recognized in income when the related marketing services are provided and classified as other, net revenue.

For mileage credits which we estimate are not likely to be redeemed ("Breakage"), we recognize the associated value proportionally during the period in which the remaining mileage credits are expected to be redeemed. The estimate of Breakage is based on historical redemption patterns. A change in assumptions as to the period over which mileage credits are expected to be redeemed, the actual redemption activity for mileage credits or the estimated fair value of mileage credits expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years.

Prior to the adoption of fresh start reporting, we accounted for frequent flyer miles earned on Delta flights on an incremental cost basis as an accrued liability and as operating expense, while miles sold to airline and non-airline businesses were accounted for on a deferred revenue basis. For SkyMiles accounts with sufficient mileage credits to qualify for a free travel award, we recorded a liability for the estimated incremental cost of flight awards that were earned and expected to be redeemed for travel on Delta or other airlines. Our incremental costs included (1) our system average cost per passenger for fuel, food and other direct passenger costs for awards to be redeemed on Delta and (2) contractual costs for awards to be redeemed on other airlines. We periodically recorded adjustments to this liability in other operating expense on our Consolidated Statements of Operations and other accrued liabilities on our Consolidated Balance Sheets based on awards earned, awards redeemed, changes in our estimated incremental costs and changes to the SkyMiles Program.

Regional Carriers Revenue. During the year ended December 31, 2009, we had contract carrier agreements with 10 Contract Carriers, including our wholly-owned subsidiaries, Comair, Inc. ("Comair"), Compass Airlines, Inc. ("Compass") and Mesaba Aviation, Inc. ("Mesaba"). Compass and Mesaba began operating as Contract Carriers on the Closing Date. Our Contract Carrier agreements are structured as either (1) capacity purchase agreements where we purchase all or a portion of the Contract Carrier's capacity and are responsible for selling the seat inventory we purchase or (2) revenue proration agreements, which are based on a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries. We record revenue related to all of our Contract Carrier agreements as regional carriers passenger revenue. We record expenses related to our Contract Carrier agreements, excluding Comair, Compass and Mesaba, as contract carrier arrangements expense.

Cargo Revenue

Cargo revenue is recognized in our Consolidated Statements of Operations when we provide the transportation.

Other, net Revenue

Other, net revenue includes revenue from (1) the Marketing Premium component of the sale of mileage credits in the SkyMiles and WorldPerks Programs discussed above, (2) our sale of seats on other airlines' flights under our alliance agreements and (3) other miscellaneous service revenue, including administrative service charges, baggage handling fees and revenue from ancillary businesses, including our aircraft maintenance and repair and staffing services. Our revenue from other airlines' sale of seats on our flights under our alliance agreements is recorded in passenger revenue on our Consolidated Statements of Operations.

Long-Lived Assets

The following table shows our property and equipment at December 31, 2009 and 2008:

	December 31,	
(in millions)	2009	2008
Flight equipment	$ 19,513	$ 18,237
Accumulated depreciation	(1,731)	(828)
Flight equipment, net	17,782	17,409
Ground property and equipment	2,936	2,715
Accumulated depreciation	(949)	(578)
Ground property and equipment, net	1,987	2,137
Flight and ground equipment under capital leases	717	708
Accumulated amortization	(244)	(152)
Flight and ground equipment under capital leases, net	473	556
Advance payments for equipment	191	525
Total property and equipment, net	$ 20,433	$ 20,627

During the year ended December 31, 2009, we sold 16 aircraft, including 10 B-757-200 aircraft, four ATR-72 aircraft, one DC-9 aircraft and one EMB-120 aircraft. We received $78 million in proceeds from these aircraft sales.

During the year ended December 31, 2008, we sold 20 aircraft, including seven CRJ-100 aircraft, five B-757-200 aircraft, four A320-200 aircraft and four DC-9-30 aircraft. In addition, we sold two B-747-200F airframes and one EMB-120 airframe. As a result of these sales, we received $123 million in proceeds and recorded a $21 million gain.

We record property and equipment at cost and depreciate or amortize these assets on a straight-line basis to their estimated residual values over their respective estimated useful lives. Residual values for owned spare parts and simulators are generally 5% of cost except when guaranteed by a third party for a different amount. In connection with our adoption of fresh start reporting, we increased our residual values for flight equipment from 5% to 10% of cost. Additionally, we adjusted the net book values of property and equipment to their estimated fair values and adjusted the estimated useful lives of flight equipment. The estimated useful lives for major asset classifications are as follows:

	Estimated Useful Life	
Asset Classification	**Successor**	**Predecessor**
Flight equipment	21-30 years	25 years
Capitalized software [(1)]	3-7 years	5-7 years
Ground property and equipment	3-40 years	3-40 years
Leasehold improvements [(2)]	Shorter of lease term or estimated useful life	Shorter of lease term or estimated useful life
Flight equipment under capital lease	Shorter of lease term or estimated useful life	Shorter of lease term or estimated useful life

(1) We capitalize certain internal and external costs incurred to develop and implement internal-use software. For the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007, we recorded $95 million, $99 million, $67 million and $34 million, respectively, for amortization of internal-use software. The net book value of these assets totaled $126 million and $229 million at December 31, 2009 and 2008, respectively.

(2) For leasehold improvements at certain airport facilities, we apply estimated useful lives which extend beyond the contractual lease terms.

We record impairment losses on long-lived assets used in operations when events and circumstances indicate the assets may be impaired and the estimated future cash flows generated by those assets are less than their carrying amounts. If we decide to permanently remove flight equipment or other long-lived assets from operations, we will evaluate those assets for impairment. For long-lived assets held for sale, we record impairment losses when the carrying amount is greater than the fair value less the cost to sell. We discontinue depreciation of long-lived assets when these assets are classified as held for sale.

To determine impairments for aircraft used in operations, we group assets at the fleet-type level (the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel costs, labor costs and other relevant factors. If impairment occurs, the impairment loss recognized is the amount by which the aircraft's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available.

Goodwill and Other Intangible Assets

Goodwill reflects (1) the excess of the reorganization value of the Successor over the fair values of tangible and identifiable intangible assets, net of liabilities, from the adoption of fresh start reporting, adjusted for impairment and (2) the excess of purchase price over the fair values of tangible and identifiable intangible assets acquired and liabilities assumed from Northwest in the Merger.

Identifiable intangible assets reflect intangible assets (1) recorded as a result of our adoption of fresh start reporting upon emergence from bankruptcy and (2) acquired in the Merger. Indefinite-lived assets are not amortized. Definite-lived intangible assets are amortized on a straight-line basis or under the undiscounted cash flows method over the estimated economic life of the respective agreements and contracts. Costs incurred to renew or extend the term of an intangible asset are expensed as incurred.

We apply a fair value-based impairment test to the net book value of goodwill and indefinite-lived intangible assets on an annual basis and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. The annual impairment test date for our goodwill and indefinite-lived intangible assets is October 1.

In evaluating our goodwill for impairment, we first compare our one reporting unit's fair value to its carrying value. We estimate the fair value of our reporting unit by considering (1) our market capitalization, (2) any premium to our market capitalization an investor would pay for a controlling interest, (3) the potential value of synergies and other benefits that could result from such interest, (4) market multiple and recent transaction values of peer companies and (5) projected discounted future cash flows, if reasonably estimable. If the reporting unit's fair value exceeds its carrying value, no further testing is required. If, however, the reporting unit's carrying value exceeds its fair value, we then determine the amount of the impairment charge, if any. We recognize an impairment charge if the carrying value of the reporting unit's goodwill exceeds its implied fair value.

We perform the impairment test for our indefinite-lived intangible assets by comparing the asset's fair value to its carrying value. Fair value is estimated based on (1) recent market transactions, where available, (2) the lease savings method for airport slots (which reflects potential lease savings from owning the slots rather than leasing them from another airline at market rates), (3) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (4) projected discounted future cash flows. We recognize an impairment charge if the asset's carrying value exceeds its estimated fair value.

Changes in assumptions or circumstances could result in an additional impairment in the period in which the change occurs and in future years. Factors which could cause impairment include, but are not limited to, (1) negative trends in our market capitalization, (2) volatile fuel prices, (3) declining passenger mile yields, (4) lower passenger demand as a result of the weakened U.S. and global economy, (5) interruption to our operations due to an employee strike, terrorist attack, or other reasons, (6) changes to the regulatory environment and (7) consolidation of competitors in the industry.

Interest Expense

Interest expense recorded on our Consolidated Statements of Operations totaled $1.3 billion and $705 million for the years ended December 31, 2009 and 2008, respectively, $390 million for the eight months ended December 31, 2007 and $262 million for the four months ended April 30, 2007. Contractual interest expense (including interest expense that was associated with obligations classified as liabilities subject to compromise) totaled $366 million for the four months ended April 30, 2007. While operating as a debtor-in-possession under Chapter 11 of the Bankruptcy Code, we recorded interest expense only to the extent (1) interest would be paid during our Chapter 11 proceedings or (2) it was probable interest would be an allowed priority, secured or unsecured claim.

Income Taxes

We account for deferred income taxes under the liability method. Under this method, we recognize deferred tax assets and liabilities based on the tax effects of temporary differences between the financial statement and tax bases of assets and liabilities, as measured by current enacted tax rates. A valuation allowance is recorded to reduce deferred tax assets when necessary. Deferred tax assets and liabilities are recorded net as current and noncurrent deferred income taxes on our Consolidated Balance Sheets.

Our income tax provisions are based on calculations and assumptions that are subject to examination by the Internal Revenue Service (the "IRS") and other taxing authorities. Although we believe that the positions taken on previously filed tax returns are reasonable, we have established tax and interest reserves in recognition that taxing authorities may challenge the positions we have taken, which could result in additional liabilities for taxes and interest. We review the reserves as circumstances warrant and adjust the reserves as events occur that affect our potential liability, such as lapsing of applicable statutes of limitations, conclusion of tax audits, a change in exposure based on current calculations, identification of new issues, release of administrative guidance or the rendering of a court decision affecting a particular issue. We would adjust the income tax provision in the period in which the facts that give rise to the revision become known.

Long-Term Investments

Investments with maturities of greater than one year when purchased are recorded at fair value in other noncurrent assets on our Consolidated Balance Sheets. Our long-term investments are comprised of student loan backed auction rate securities classified as available-for-sale and insured auction rate securities classified as trading securities. Any change in the fair value of these securities is recorded in accumulated other comprehensive loss or earnings, as appropriate. For additional information regarding our auction rate securities, see Note 3.

Deferred Gains on Sale and Leaseback Transactions

We amortize deferred gains on the sale and leaseback of property and equipment under operating leases over the lives of these leases. The amortization of these gains is recorded as a reduction to rent expense. Gains on the sale and leaseback of property and equipment under capital leases reduce the carrying value of the related assets.

Manufacturers' Credits

We periodically receive credits in connection with the acquisition of aircraft and engines. These credits are deferred until the aircraft and engines are delivered, and then applied on a pro rata basis as a reduction to the cost of the related equipment.

Maintenance Costs

We record maintenance costs to aircraft maintenance materials and outside repairs on our Consolidated Statements of Operations. Maintenance costs are expensed as incurred, except for costs incurred under power-by-the-hour contracts, which are expensed based on actual hours flown. Power-by-the-hour contracts transfer certain risk to third party service providers and fix the amount we pay per flight hour to the service provider in exchange for maintenance and repairs under a predefined maintenance program. Modifications that enhance the operating performance or extend the useful lives of airframes or engines are capitalized and amortized over the remaining estimated useful life of the asset or the remaining lease term, whichever is shorter.

Inventories

Inventories of expendable parts related to flight equipment are carried at moving average cost and charged to operations as consumed. An allowance for obsolescence is provided over the remaining useful life of the related fleet for spare parts expected to be available at the date aircraft are retired from service. We also provide allowances for parts identified as excess or obsolete to reduce the carrying costs to the lower of cost or net realizable value. These parts are assumed to have an estimated residual value of 5% of the original cost. In connection with our adoption of fresh start reporting upon emergence from bankruptcy, we recorded our expendable parts inventories at fair value.

Advertising Costs

We expense advertising costs as other selling expenses in the year incurred. Advertising expense was $176 million and $114 million for the years ended December 31, 2009 and 2008, respectively, $121 million for the eight months ended December 31, 2007 and $51 million for the four months ended April 30, 2007.

Commissions

We record passenger commissions in prepaid expenses and other on our Consolidated Balance Sheets when the related passenger tickets are sold. Passenger commissions are recognized in operating expense on our Consolidated Statements of Operations when the related revenue is recognized.

Stock-Based Compensation

We measure the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award. The fair value of our stock options is estimated using an option pricing model. The cost of equity awards granted to employees is recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period of the award).

Reclassifications

We reclassified certain prior period amounts, none of which were material, to conform to our current period presentation. The reclassifications to the Consolidated Statements of Cash Flow were within cash flows from operating activities and do not impact total net cash provided by or used in operating activities for any period. The adjustments to the Consolidated Statements of Operations do not impact total operating expense or net income for any period.

We reclassified travel and incidental expenses, primarily crew meals and lodging expenses, from salaries and related costs to other operating expense. These expenses amount to $308 million for the year ended December 31, 2008, $173 million for the eight months ended December 31, 2007 and $82 million for the four months ended April 30, 2007. We also adjusted our Consolidated Statements of Operations for certain costs incurred to provide services to our Contract Carriers, excluding Comair, Compass and Mesaba; these costs are recorded as a reduction to salaries and related costs and contracted services, as appropriate, rather than as a reduction to other operating expense. These costs amount to $256 million for the year ended December 31, 2008, $181 million for the eight months ended December 31, 2007 and $80 million for the four months ended April 30, 2007.

NOTE 2. NORTHWEST MERGER

On the Closing Date, Northwest became a wholly-owned subsidiary of Delta. Northwest was a major air carrier that provided scheduled air transportation for passengers and cargo throughout the U.S. and around the world.

We believe the Merger better positions us to manage through economic cycles and volatile fuel prices, invest in our fleet, improve services for customers and achieve our strategic objectives. We also believe the Merger will generate significant annual revenue and cost synergies from more effective aircraft utilization, a more comprehensive and diversified route system and reduced overhead and improved operational efficiency.

As a result of the Merger, each share of Northwest common stock outstanding on the Closing Date or issuable under Northwest's Plan of Reorganization was converted into the right to receive 1.25 shares of Delta common stock. We issued, or expect to issue, a total of 339 million shares of Delta common stock for these purposes, or approximately 41% of the sum of the shares of Delta common stock (1) outstanding on the Closing Date (including shares issued to Northwest stockholders in the Merger), (2) issuable in exchange for shares of Northwest common stock reserved for issuance under Northwest's Plan of Reorganization, (3) reserved for issuance under Delta's Plan of Reorganization and (4) issuable to our employees in connection with the Merger.

The purchase price paid to effect the Merger was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed from Northwest based on their estimated fair values as of the Closing Date. The Merger was valued at $3.4 billion. This amount was derived from (1) the 339 million shares of Delta common stock we issued or expect to issue, as discussed above, at a price of $9.60 per share, the average closing price of our common stock on the New York Stock Exchange for the five consecutive trading days that include the two trading days before, the day of and the two trading days after the public announcement on April 14, 2008 of the then planned Merger and (2) capitalized Merger-related transaction costs. The purchase price also included the fair value of Delta stock options and other equity awards issued on the Closing Date in exchange for similar securities of Northwest. Northwest stock options and other equity awards vested on the Closing Date and were assumed by Delta and modified to provide for the purchase of Delta common stock. The number of shares and, if applicable, the price per share were adjusted for the 1.25 exchange ratio. Vested stock options held by employees of Northwest were considered part of the purchase price.

The purchase price was calculated as follows:

(in millions, except per share data)	
Shares of Northwest common stock exchanged	271
Exchange ratio	1.25
Shares of Delta common stock issued or issuable	339
Price per share	$ 9.60
Fair value of Delta common stock issued or issuable	$3,251
Fair value of outstanding Northwest stock options	18
Delta transaction costs	84
Total purchase price	$3,353

The table below represents the allocation of the total consideration to tangible and intangible assets acquired and liabilities assumed from Northwest in the Merger based on our estimate of their respective fair values on the Closing Date:

(in millions)	
Cash and cash equivalents	$ 2,441
Other current assets	2,732
Property and equipment	8,536
Goodwill	4,632
Identifiable intangible assets	2,701
Other noncurrent assets	292
Long-term debt and capital leases	(6,239)
Pension and postretirement related benefits	(4,010)
Air traffic liability and frequent flyer deferred revenue	(3,802)
Other liabilities assumed	(3,930)
Total purchase price	$ 3,353

The excess of the purchase price over the fair values of the tangible and identifiable intangible assets acquired and liabilities assumed from Northwest in the Merger was allocated to goodwill. We believe that the portion of the purchase price attributable to goodwill represents the benefits expected to be realized from the Merger, as discussed above. This goodwill is not deductible or amortizable for tax purposes.

The following table summarizes the identifiable intangible assets acquired:

(in millions)	Weighted-Average Life in Years	Gross Carrying Amount
Indefinite-lived intangible assets:		
International routes and slots	N/A	$ 2,140
SkyTeam alliance	N/A	380
Domestic routes and slots	N/A	110
Other	N/A	1
Total indefinite-lived intangible assets		$ 2,631
Definite-lived intangible assets:		
Northwest tradename	1.5	40
Marketing agreements	14	26
Domestic routes and slots	1	4
Total definite-lived intangible assets	6	$ 70
Total identifiable intangible assets		$ 2,701

The following unaudited pro forma combined results of operations give effect to the Merger as if it had occurred at the beginning of the periods presented. The unaudited pro forma combined results of operations do not purport to represent Delta’s consolidated results of operations had the Merger occurred on the dates assumed, nor are these results necessarily indicative of Delta’s future consolidated results of operations. We expect to realize significant benefits from integrating the operations of Delta and Northwest, as discussed above, and to incur certain one-time cash costs. The unaudited pro forma combined results of operations do not reflect these benefits or costs. Additionally, to improve the comparability of the information presented, the unaudited pro forma combined results of operations for the year ended December 31, 2007 include pro forma historical results of operations of Delta and Northwest adjusted to reflect (1) the impact of fresh start reporting as if both companies had emerged from bankruptcy on January 1, 2007 and (2) changes in accounting principles as if adoption had occurred on January 1, 2007.

(in millions, except per share data)	Year Ended December 31, 2008 [1][2]	2007
Operating revenue	$34,288	$31,781
Net (loss) income	(14,706)	601
Basic and diluted (loss) earnings per share	(18.13)	0.74

(1) Includes a $1.1 billion one-time primarily non-cash charge related to the issuance or vesting of employee equity awards in connection with the Merger.

(2) Includes $11.6 billion in non-cash charges from impairments of goodwill and other intangible assets for Delta and Northwest prior to the Closing Date. For additional information, see Note 5.

NOTE 3. FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

- *Level 1.* Observable inputs such as quoted prices in active markets;
- *Level 2* . Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3* . Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. Where more than one technique is noted, individual assets or liabilities were valued using one or more of the noted techniques. The valuation techniques are as follows:

(a) *Market approach* . Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Assets and Liabilities Measured at Fair Value on a Recurring Basis

(in millions)	December 31, 2009	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
Cash equivalents	$4,335	$4,335	$ —	$ —	(a)
Short-term investments	71	—	—	71	(c)
Restricted cash equivalents	435	435	—	—	(a)
Long-term investments	129	—	—	129	(c)
Hedge derivatives asset, net	108	—	108	—	(a)(c)

(in millions)	December 31, 2008	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
Cash equivalents	$4,020	$4,020	$ —	$ —	(a)
Short-term investments	212	—	—	212	(c)
Restricted cash equivalents	128	128	—	—	(a)
Long-term investments	121	—	—	121	(c)
Hedge derivatives liability, net	(1,109)	—	(18)	(1,091)	(a)(c)

Cash Equivalents and Restricted Cash Equivalents. Short-term, highly liquid investments with maturities of three months or less when purchased, which primarily consist of money market funds, treasury bills and time deposits, are classified as cash equivalents. These investments are recorded at cost, which approximates fair value.

Short-Term Investments. At December 31, 2009 and 2008, our short-term investments were comprised of an investment in the Primary Fund, a money market fund that is undergoing an orderly liquidation. We record these investments as available-for-sale securities at fair value.

At December 31, 2009 and 2008, the fair value of our investment in the Primary Fund was $71 million and $212 million, respectively. At December 31, 2009, the cost of our remaining investment was $84 million. In mid-September 2008, the net asset value of the Primary Fund decreased below $1 per share because the Primary Fund valued at zero its holdings of debt securities issued by Lehman Brothers Holdings, Inc. ("Lehman Brothers"), which filed for bankruptcy on September 15, 2008. Accordingly, we recorded an other than temporary impairment of $13 million as an unrealized loss to the cost basis of our pro rata share of the estimated loss in this investment.

During 2008, due to uncertainty regarding the timing of the distribution of our holdings in the Primary Fund and the amount expected to be received from the distribution, we changed our valuation technique for the Primary Fund to an income approach using a discounted cash flow model. Accordingly, our short-term investments at December 31, 2008, comprised of these securities, changed from Level 1 to Level 3 since initial valuation upon acquisition.

On January 29, 2010, we received $73 million in principal from the Primary Fund under a court approved plan of distribution. Combined with previous distributions from the Primary Fund, we have now received 99% of our original investment.

Long-Term Investments. We record our investments in student loan backed auction rate securities as available-for-sale securities at fair value. At December 31, 2009 and 2008, the fair value of our student loan backed auction rate securities was $45 million and $38 million, respectively. The cost of these investments was $45 million.

We record our investments in insured auction rate securities as trading securities at fair value. At December 31, 2009 and 2008, the fair value of our insured auction rate securities was $83 million. The cost of these investments was $110 million.

Due to the protracted failure in the auction process and contractual maturities averaging 31 years for our student loan backed auction rate securities and 26 years for our insured auction rate securities, we have classified our auction rate securities as long-term within other noncurrent assets on our Consolidated Balance Sheets.

Because auction rate securities are not actively traded, fair values were estimated by discounting the cash flows expected to be received over the remaining maturities of the underlying securities. We based the valuations on our assessment of observable yields on instruments bearing comparable risks and consider the creditworthiness of the underlying debt issuer. Changes in market conditions could result in further adjustments to the fair value of these securities.

Hedge Derivatives. Our results of operations are significantly impacted by changes in aircraft fuel prices, interest rates and foreign currency exchange rates. In an effort to manage our exposure to these risks, we periodically enter into derivative instruments, including fuel, interest rate and foreign currency hedges. These derivative instruments are comprised of contracts that are privately negotiated with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk).

- *Aircraft Fuel Derivatives.* Our aircraft fuel derivative instruments consist of crude oil, heating oil and jet fuel swap, collar, and call option contracts. Swap contracts are valued under the income approach using a discounted cash flow model based on data either readily observable or derived from public markets. Accordingly, we have classified these contracts in Level 2.

  Option contracts are valued under the income approach using option pricing models. Historically, we have based our valuation assessments for our option contracts on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. During 2008, we reevaluated certain valuation inputs used for our option contracts. As a result, we reclassified these contracts from Level 2 to Level 3 since valuation at December 31, 2007. During 2009, we implemented systems that better provide for the evaluation of these inputs against market data and we no longer rely on data provided by counterparties as a source for our valuation assessments. Accordingly, we believe a reclassification of our option contracts to Level 2 is appropriate.

- *Interest Rate Derivatives.* Our interest rate derivative instruments consist of swap and call option contracts and are valued primarily based on data readily observable in public markets.

- *Foreign Currency Derivatives.* Our foreign currency derivative instruments consist of Japanese yen and Canadian dollar forward and collar contracts and are valued based on data readily observable in public markets.

Plan Assets

(in millions)	December 31, 2009	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
Common stock					
U.S.	$1,661	$1,661	$ —	$ —	(a)
Non-U.S.	842	842	—	—	(a)
Mutual funds					
U.S.	851	2	849	—	(a)
Non-U.S.	251	—	251	—	(a)
Non-U.S. emerging markets	335	55	280	—	(a)
Diversified fixed income	310	—	310	—	(a)
High yield	317	—	271	46	(a)(c)
Commingled funds					
U.S.	891	—	891	—	(a)
Non-U.S.	187	—	187	—	(a)
Non-U.S. emerging markets	86	—	86	—	(a)
Diversified fixed income	346	—	346	—	(a)
High yield	50	—	50	—	(a)
Alternative investments					
Limited partnerships	1,251	—	—	1,251	(a)(c)
Real estate and natural resources	336	—	—	336	(a)(c)
Fixed income	389	—	389	—	(a)(c)
Cash equivalents and other	649	43	606	—	(a)
Total plan assets	$8,752	$2,603	$4,516	$1,633	

Common Stock. Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Mutual and Commingled Funds. These funds are valued using the net asset value, which is based on quoted market prices of the underlying assets owned by the fund minus its liabilities and then divided by the number of shares outstanding.

Alternative Investments. The valuation of alternative investments requires significant judgment due to the absence of quoted market prices, the inherent lack of liquidity and the long-term nature of such assets; therefore these assets are generally classified in Level 3. Alternative investments include limited partnerships, real estate, oil and gas and timberland. Investments are valued based upon recommendations of our investment managers. The investment managers' values are from valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of relevant assumptions. We also assess the potential for adjustment to the fair value of these investments due to the lag in the availability of data. In these cases, we solicit preliminary valuation updates at year-end from the investment managers and use that information and corroborating data from public markets to determine any needed adjustments to fair value.

Fixed Income. Investments include corporate bonds, government bonds, collateralized mortgage obligations, and other asset backed securities. These investments are generally valued at the bid price or the average of the bid and asked price. Prices are obtained from independent pricing services and are based on pricing models, quoted prices of securities with similar characteristics, or broker quotes.

Cash Equivalents and Other. These investments primarily consist of short term investment funds, which are valued using the net asset value based on the value of the underlying assets minus the liabilities and then divided by the number of shares outstanding. Cash is not included in the table above.

Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)

(in millions)	December 31, 2009 Hedge Derivatives Asset, Net	December 31, 2009 Plan Assets	December 31, 2008 Hedge Derivatives Liability, Net
Balance at beginning of period	$(1,091)	$1,797	$ —
Liabilities assumed from Northwest	—	—	(567)
Change in fair value included in earnings	(1,232)	—	(203)
Change in fair value included in other comprehensive income (loss)	1,230	(56)	(1,298)
Purchases and settlements, net	1,199	(108)	924
Transfers from/to Level 3	(106)	—	53
Balance at end of period	$ —	$1,633	$(1,091)

(Losses) gains included in earnings above for hedge derivatives for the years ended December 31, 2009 and 2008 are recorded on our Consolidated Statements of Operations as follows:

(in millions)	December 31, 2009 Aircraft Fuel Expense and Related Taxes	December 31, 2009 Other (Expense) Income	December 31, 2008 Aircraft Fuel Expense and Related Taxes	December 31, 2008 Other (Expense) Income
Total (losses) gains included in earnings	$(1,263)	$31	$(176)	$(27)
Change in unrealized gains (losses) relating to assets and liabilities still held at end of period	$ —	$26	$ (91)	$ (5)

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Goodwill and Other Intangible Assets

(in millions)	December 31, 2009 Significant Unobservable Inputs (Level 3)	December 31, 2008 Significant Unobservable Inputs (Level 3)	December 31, 2008 Total Impairment	Valuation Technique
Goodwill [(1)]	$9,787	$9,731	$6,939	(a)(b)(c)
Indefinite-lived intangible assets [(2)] [(3)]	4,304	4,314	314	(a)(c)
Definite-lived intangible assets [(3)]	525	630	43	(c)

(1) In evaluating our goodwill for impairment, we first compare our one reporting unit's fair value to its carrying value. We estimate the fair value of our reporting unit by considering (1) our market capitalization, (2) any premium to our market capitalization an investor would pay for a controlling interest, (3) the potential value of synergies and other benefits that could result from such interest, (4) market multiple and recent transaction values of peer companies and (5) projected discounted future cash flows, if reasonably estimable.

(2) We perform the impairment test for our indefinite-lived intangible assets by comparing the asset's fair value to its carrying value. Fair value is estimated based on (1) recent market transactions, where available, (2) the lease savings method for airport slots (which reflects potential lease savings from owning slots rather than leasing them from another airline at market rates), (3) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (4) projected discounted future cash flows.

(3) We valued our identified intangible assets upon emergence from bankruptcy primarily using the income approach valuation technique. Key assumptions used in this valuation include: (1) management's projections of Delta's revenues, expenses and cash flows for future years; (2) an estimated weighted average cost of capital of 10%; (3) assumed discount rates ranging from 12% to 15%, depending on the nature of the asset; and (4) a tax rate of 39.2%. Accordingly, the fair values are estimates, which are inherently subject to significant uncertainties, and actual results could vary significantly from these estimates.

Assets Acquired and Liabilities Assumed from Northwest

(in millions)	October 29, 2008	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3) (1)	Valuation Technique
Flight equipment	$7,946	$7,946	$ —	(a)
Other property and equipment	590	590	—	(a)(b)
Goodwill (2)	4,632	—	4,632	(a)(b)(c)
Indefinite-lived intangible assets (2)	2,631	—	2,631	(a)(c)
Definite-lived intangible assets (2)	70	—	70	(c)
Other noncurrent assets	261	181	80	(a)(b)
Debt and capital leases	6,239	6,239	—	(a)(c)
WorldPerks deferred revenue (3)	2,034	—	2,034	(a)
Other noncurrent liabilities	224	224	—	(a)

(1) These valuations were based on the present value of future cash flows for specific assets derived from our projections of future revenue, expense and airline market conditions. These cash flows were discounted to their present value using a rate of return that considers the relative risk of not realizing the estimated annual cash flows and time value of money.

(2) Goodwill represents the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed from Northwest in the Merger. Indefinite-lived and definite-lived intangible assets are identified by type in Note 5. Fair value measurements for goodwill and other intangible assets included significant unobservable inputs, which generally include a five-year business plan, 12 months of historical revenues and expenses by city pair, projections of available seat miles, revenue passenger miles, load factors, operating costs per available seat mile and a discount rate.

One of the significant unobservable inputs underlying the intangible fair value measurements performed on the Closing Date is the discount rate. We determined the discount rate using the weighted average cost of capital of the airline industry, which was measured using a Capital Asset Pricing Model ("CAPM"). The CAPM in the valuation of goodwill and indefinite-lived intangibles utilized a 50% debt and 50% equity structure. The historical average debt-to-equity structure of the major airlines since 1990 is also approximately 50% debt and 50% equity, which was similar to Northwest's debt-to-equity structure at emergence from Chapter 11. The return on debt was measured using a bid-to-yield analysis of major airline corporate bonds. The expected market rate of return for equity was measured based on the risk free rate, the airline industry beta and risk premiums based on the Federal Reserve Statistical Release H. 15 or Ibbotson ® Stocks, Bonds, Bills, and Inflation ® Valuation Yearbook, Edition 2008. These factors resulted in a 13% discount rate.

(3) The fair value of Northwest's WorldPerks Program liability was determined based on the estimated price that third parties would require us to pay for them to assume the obligation for miles expected to be redeemed under the WorldPerks Program. This estimated price was determined based on the weighted-average equivalent ticket value of a WorldPerks award, which is redeemed for travel on Northwest, Delta or a participating airline. The weighted-average equivalent ticket value contemplates differing classes of service, domestic and international itineraries and the carrier providing the award travel.

Fair Value of Debt

Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. The following table presents information about our debt:

(in millions)	December 31, 2009	December 31, 2008
Total debt at par value	$18,068	$17,865
Unamortized discount, net	(1,403)	(1,859)
Net carrying amount	$16,665	$16,006
Fair value (1)	$15,427	$12,695

(1) The aggregate fair value of debt was based primarily on reported market values and recently completed market transactions.

NOTE 4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The following tables reflect the estimated fair value asset (liability) position of our hedge contracts:

	December 31, 2009					
(in millions, unless otherwise stated)	Notional Balance	Maturity Date	Assets	Hedge Derivatives Liability	Other Noncurrent Liabilities	Hedge Margin Payable, net
Designated as hedges						
Fuel hedge swaps, collars and call options	795 million gallons - crude oil, heating oil, jet fuel	January 2010 - December 2010	$180	$ (89)	$ —	
Interest rate swaps and call options designated as cash flow hedges	$1,478	September 2010 - May 2019	2	(38)	(9)	
Foreign currency exchange forwards	55.8 billion Japanese Yen; 295 million Canadian Dollars	January 2010 - September 2012	1	(12)	(12)	
Total derivative instruments			$183	$ (139)	$ (21)	$ (10)

	December 31, 2008						
(in millions, unless otherwise stated)	Notional Balance	Maturity Date	Assets	Accounts Payable	Hedge Derivatives Liability	Other Noncurrent Liabilities	Hedge Margin Receivable
Designated as hedges							
Fuel hedge swaps, collars and call options (1)	1.9 billion gallons - crude oil, heating oil, jet fuel	January 2009 - December 2010	$ 26	$ (66)	$ (849)	$ —	
Interest rate swaps designated as fair value hedges (2)	$1,000	September 2011 - July 2012	91	—	—	—	
Interest rate swaps and call options designated as cash flow hedges (3)	$1,700	December 2009 - May 2019	—	—	(32)	(63)	
Foreign currency exchange forwards and collars (3)	45.0 billion Japanese Yen	January - December 2009	—	—	(48)	—	
Total designated			117	(66)	(929)	(63)	
Not designated as hedges							
Fuel swap and collar contracts (3)	180 million gallons - crude oil, heating oil, jet fuel	January - June 2009	—	(119)	(318)	—	
Total not designated			—	(119)	(318)	—	
Total derivative instruments			$117	$(185)	$(1,247)	$ (63)	$1,139

(1) Includes $163 million in hedges assumed from Northwest in the Merger.

(2) Includes $17 million in accrued interest receivables related to these interest rate swaps. In accordance with fair value hedge accounting, the carrying value of our long-term debt at December 31, 2008 included $74 million of fair value adjustments.

(3) Represents derivative contracts assumed from Northwest in the Merger.

Aircraft Fuel Price Risk

Hedge Position

Our results of operations are materially impacted by changes in aircraft fuel prices. In an effort to manage our exposure to this risk, we periodically enter into derivative instruments comprised of crude oil, heating oil and jet fuel swap, collar and call option contracts to hedge a portion of our projected aircraft fuel requirements, including those of our Contract Carriers under capacity purchase agreements. As of December 31, 2009, our open fuel hedge contracts had an estimated fair value asset position of $179 million, which is recorded in prepaid expenses and other on our Consolidated Balance Sheet. As of December 31, 2009, we have hedged approximately 20% of our projected fuel consumption for 2010.

In the Merger, we assumed all of Northwest's outstanding fuel hedge contracts. On the Closing Date, we designated certain of Northwest's derivative instruments, comprised of crude oil collar and swap contracts, as hedges. All Northwest fuel hedge contracts settled as of June 30, 2009.

Hedge Gains (Losses)

Gains (losses) recorded on our Consolidated Financial Statements related to our fuel hedge contracts are as follows:

	Effective Portion Recognized in Other Comprehensive Income (Loss)				**Effective Portion Reclassified from Accumulated Other Comprehensive Loss to Earnings**			
	Successor			**Predecessor**	**Successor**			**Predecessor**
	Year Ended December 31,		**Eight Months Ended December 31,**	**Four Months Ended April 30,**	**Year Ended December 31,**		**Eight Months Ended December 31,**	**Four Months Ended April 30,**
(in millions)	**2009**	**2008**	**2007**	**2007**	**2009**	**2008 [4]**	**2007**	**2007**
Designated as hedges								
Fuel hedge swaps, collars and call options [1]	$1,268	$(1,268)	$27	$69	$(1,344)	$26	$59	$ (8)
Interest rate swaps and call options designated as cash flow hedges [2]	51	(94)	—	—	—	—	—	—
Foreign currency exchange forwards and collars [3]	11	(33)	—	—	(6)	—	—	—
Total designated	$1,330	$(1,395)	$27	$69	$(1,350)	$26	$59	$ (8)

(1) Gains and losses on fuel hedge contracts reclassified from accumulated other comprehensive loss are recorded in aircraft fuel and related taxes.

(2) Losses on interest rate swaps and call options reclassified from accumulated other comprehensive loss are recorded in interest expense.

(3) Losses on foreign currency exchange contracts reclassified from accumulated other comprehensive loss are recorded in passenger and cargo revenue.

(4) We recorded a mark-to-market adjustment of $91 million related to Northwest derivative contracts settling in 2009 that were not designated as hedges for the year ended December 31, 2008.

Ineffectiveness gains (losses) recognized on our fuel hedge contracts in other (expense) income on our Consolidated Statements of Operations was $57 million and $(20) million for the years ended December 31, 2009 and 2008, respectively, $(13) million for the eight months ended December 31, 2007 and $14 million for the four months ended April 30, 2007.

We recorded a loss of $15 million to aircraft fuel and related taxes on our Consolidated Statements of Operations for the year ended December 31, 2009 related to Northwest derivative contracts that were not designated as hedges. As of December 31, 2009, we recorded in other comprehensive loss on our Consolidated Balance Sheet $15 million of net gains on our hedge contracts scheduled to settle in the next 12 months.

In September 2008, one of our fuel hedge contract counterparties, Lehman Brothers, filed for bankruptcy. As a result, we terminated our fuel hedge contracts with Lehman Brothers prior to their scheduled settlement dates. Additionally, during the December 2008 quarter, we terminated certain fuel hedge contracts with other counterparties to reduce our exposure to projected fuel hedge losses due to the decrease in crude oil prices. We recorded an unrealized loss of $324 million, which represents the effective portion of these terminated contracts at the date of settlement, in accumulated other comprehensive loss on our Consolidated Balance Sheet. These losses were reclassified in the Consolidated Statements of Operations in accordance with their original contract settlement dates through December 2009. The ineffective portion of these contracts at the date of settlement resulted in an $11 million charge, which we recorded to other (expense) income on our Consolidated Statement of Operations for the year ended December 31, 2008.

Prior to the adoption of fresh start reporting, we recorded as a component of stockholders' deficit a $46 million unrealized gain related to our fuel hedging program. This gain would have been recognized as an offset to aircraft fuel expense and related taxes as the underlying fuel hedge contracts were settled. However, as required by fresh start reporting, our accumulated stockholders' deficit and accumulated other comprehensive loss were reset to zero. Accordingly, fresh start reporting adjustments eliminated the unrealized gain and increased aircraft fuel expense and related taxes by $46 million for the eight months ended December 31, 2007.

Interest Rate Risk

Our exposure to market risk from adverse changes in interest rates is associated with our long-term debt obligations, cash portfolio, workers' compensation obligations and pension, postemployment and postretirement benefits. Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates.

Cash Flow Hedges. In the Merger, we assumed Northwest's outstanding interest rate swap and call option agreements. On the Closing Date, we designated these derivative instruments as cash flow hedges for purposes of converting our interest rate exposure on a portion of our debt portfolio from a floating rate to a fixed rate. The floating rates are based on three month LIBOR plus a margin. These interest rate swap and call option agreements had a net fair value loss of $45 million at December 31, 2009.

Fair Value Hedges. During the June 2008 quarter, we entered into interest rate swap agreements designated as fair value hedges with an aggregate notional amount of $1.0 billion to convert our interest rate exposure on a portion of our debt portfolio from a fixed rate to a floating rate. These interest rate swap agreements had a fair value gain of $74 million and a corresponding interest receivable of $17 million, which were recorded in other noncurrent assets and accounts receivable, respectively, on our Consolidated Balance Sheet at December 31, 2008. In accordance with fair value accounting, the carrying value of our long-term debt at December 31, 2008 included $74 million of fair value adjustments.

During the June 2009 quarter, we terminated our interest rate swaps designated as fair value hedges, resulting in $65 million in cash proceeds from counterparties. Due to the fair value gain position of these swaps at the date of termination, we recorded a deferred gain of $44 million. This gain will be amortized through 2012, the remaining life of the debt, using an effective-interest method and recorded to interest expense. As of December 31, 2009, $35 million of this gain had yet to be amortized.

Other Matters. Market risk associated with our cash portfolio relates to the potential decline in interest income from a decrease in interest rates. Workers' compensation obligation risk relates to the potential increase in our future obligations and expenses from a decrease in interest rates used to discount these obligations. Pension, postemployment and postretirement benefits risk relates to the potential increase in our benefit obligations, funding and expenses from a decrease in interest rates.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange rate risk because we have revenue and expense denominated in foreign currencies, primarily the Japanese yen and the Canadian dollar. To manage exchange rate risk, we attempt to execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. From time to time, we may also enter into foreign currency options and forward contracts.

In the Merger, we assumed Northwest's outstanding foreign currency derivative instruments. On the Closing Date, we designated certain of these derivative instruments, comprised of Japanese yen forward and collar contracts, as cash flow hedges. All Northwest foreign currency derivative instruments settled as of December 31, 2009.

As of December 31, 2009, we have hedged approximately 29%, 21% and 5% of Japanese yen-denominated, and 24%, 15% and 4% of anticipated Canadian dollar-denominated, cash flows from sales in 2010, 2011 and 2012, respectively. These foreign currency derivative instruments had a net fair value loss of $23 million at December 31, 2009.

Credit Risk

To manage credit risk associated with our aircraft fuel price, interest rate and foreign currency hedging programs, we select counterparties based on their credit ratings and limit our exposure to any one counterparty. We also monitor the market position of these programs and our relative market position with each counterparty.

Due to the estimated fair value position of our fuel hedge contracts, we received $17 million in fuel hedge margin from counterparties and provided $7 million in fuel hedge margin to counterparties as of December 31, 2009.

Our accounts receivable are generated largely from the sale of passenger airline tickets and cargo transportation services. The majority of these sales are processed through major credit card companies, resulting in accounts receivable that may be subject to certain holdbacks by the credit card processors.

We also have receivables from the sale of mileage credits under our SkyMiles Program to participating airlines and non-airline businesses such as credit card companies, hotels and car rental agencies. We believe the credit risk associated with these receivables is minimal and that the allowance for uncollectible accounts that we have provided is appropriate.

Self-Insurance Risk

We self-insure a portion of our losses from claims related to workers' compensation, environmental issues, property damage, medical insurance for employees and general liability. Losses are accrued based on an estimate of the ultimate aggregate liability for claims incurred, using independent actuarial reviews based on standard industry practices and our historical experience. A portion of our projected workers' compensation liability is secured with restricted cash collateral.

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table reflects the changes in the carrying amount of goodwill for the years ended December 31, 2008 and 2009:

(in millions)	Gross Carrying Amount	Impairment	Net
Balance at January 1, 2008	$12,104	$ —	$12,104
Impairment	—	(6,939)	(6,939)
Northwest Merger	4,572	—	4,572
Other	(6)	—	(6)
Balance at December 31, 2008	16,670	(6,939)	9,731
Northwest Merger	60	—	60
Other	(4)	—	(4)
Balance at December 31, 2009	$16,726	$(6,939)	$ 9,787

During 2008, we experienced a significant decline in market capitalization primarily from record high fuel prices and overall airline industry conditions. In addition, the announcement of our intention to merge with Northwest established a stock exchange ratio based on the relative valuation of Delta and Northwest (see Note 2). We determined that these factors combined with further increases in fuel prices were an indicator that a goodwill impairment test was required. As a result, we estimated fair value based on a discounted projection of future cash flows, supported with a market-based valuation. We determined that goodwill was impaired and recorded a non-cash charge of $6.9 billion for the year ended December 31, 2008. In estimating fair value, we based our estimates and assumptions on the same valuation techniques employed and levels of inputs used to estimate the fair value of goodwill upon adoption of fresh start reporting.

We also recorded a non-cash charge of $357 million ($238 million after tax) for the year ended December 31, 2008 to reduce the carrying value of certain intangible assets based on their revised estimated fair values. This charge was included in impairment of goodwill and other intangible assets on our Consolidated Statement of Operations for the year ended December 31, 2008.

The following tables reflect the carrying amount of intangible assets at December 31, 2009 and 2008:

Indefinite-Lived Intangible Assets

(in millions)	Carrying Amount December 31, 2009	Carrying Amount December 31, 2008
International routes and slots	$2,290	$2,300
Delta tradename	850	850
SkyTeam alliance	661	661
Domestic routes and slots	500	500
Other	3	3
Total	$4,304	$4,314

Definite-Lived Intangible Assets

		December 31, 2009		December 31, 2008	
(in millions)	Estimated Life in Year(s)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Marketing agreements	1 to 18	$730	$(370)	$737	$(312)
Contracts	17 to 34	193	(36)	193	(24)
Northwest tradename	2	40	(32)	40	(7)
Customer relationships	4	9	(9)	9	(9)
Domestic routes and slots	1	4	(4)	4	(1)
Other	1	—	—	1	(1)
Total		$976	$(451)	$984	$(354)

Total amortization expense recognized for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007 was $97 million, $207 million, $147 million and $1 million, respectively. The following table summarizes the expected amortization expense for our definite-lived intangible assets:

Years Ending December 31, (in millions)	
2010	$ 79
2011	70
2012	69
2013	68
2014	67
Thereafter	172
Total	$525

NOTE 6. DEBT

In 2009, we entered into the following financing transactions:

- Senior Secured Credit Facilities due 2013;
- Senior Secured Notes due 2014;
- Senior Second Lien Notes due 2015;
- Bank Revolving Credit Facilities due 2010 and 2012;
- 2009-1 EETC; and
- Clayton County Bonds, Series 2009.

The Senior Secured Credit Facilities due 2013, the Senior Secured Notes due 2014 and the Senior Second Lien Notes due 2015 are guaranteed by substantially all of our domestic subsidiaries and are secured by our Pacific route authorities and certain related assets. A portion of the net proceeds from these transactions was used to repay in full the Bank Credit Facility due 2010 with the remainder of the proceeds used for general corporate purposes. The Bank Revolving Credit Facilities due 2010 and 2012 are also guaranteed by substantially all of our domestic subsidiaries and secured by certain aircraft, engines and related assets.

The 2009-1 EETC was used to prepay $342 million of existing mortgage financings with respect to two B-737-700 aircraft and three B-777-200LR aircraft that were delivered and financed in 2009 (the “2009 Aircraft”) and for general corporate purposes. The remaining $347 million will be used to repay a portion of the refinancing of 10 B-737-800 aircraft, nine B-757-200 aircraft and three 767-300ER aircraft that currently secure our 2000-1 EETC (the “2001 Aircraft”) after the maturity of the 2000-1 EETC in November 2010. Accordingly, we reclassified $347 million of the 2000-1 EETC principal from current maturities to long-term.

Our obligations in connection with the Clayton County Bonds, Series 2009 are not secured. The proceeds from this transaction are available to be used for general corporate purposes.

The following table summarizes our debt at December 31, 2009 and 2008:

	December 31,	
(in millions)	2009	2008
Senior Secured Exit Financing Facilities due 2012 and 2014	$ 2,444	$ 2,448
Senior Secured Credit Facilities due 2013	249	—
Senior Secured Notes due 2014	750	—
Senior Second Lien Notes due 2015	600	—
Bank Revolving Credit Facilities due 2010 and 2012	—	—
Bank Credit Facility due 2010	—	904
Other Financing Arrangements		
Certificates due in installments from 2010 to 2023	5,709	5,844
Aircraft financings due in installments from 2010 to 2025	6,005	6,224
Other secured financings due in installments from 2010 to 2031	911	1,180
Total secured debt	16,668	16,600
American Express Agreement	1,000	1,000
Clayton County Bonds, Series 2009 due in installments from 2014 to 2035	150	—
Other unsecured debt due in installments from 2010 to 2030	250	265
Total unsecured debt	1,400	1,265
Total secured and unsecured debt	18,068	17,865
Unamortized discount, net [1]	(1,403)	(1,859)
Total debt	16,665	16,006
Less: current maturities	(1,445)	(1,068)
Total long-term debt	$15,220	$14,938

(1) This item includes a reduction in the carrying value of (1) Northwest’s debt as a result of purchase accounting related to the Merger and (2) the debt recorded in connection with a multi-year extension of our co-brand credit card relationship with American Express (the “American Express Agreement”). This item also includes fair value adjustments to our long-term debt in connection with our adoption of fresh start reporting upon emergence from bankruptcy. These adjustments will be amortized to interest expense over the remaining maturities of the respective debt.

Senior Secured Exit Financing Facilities due 2012 and 2014

In connection with Delta's emergence from bankruptcy in April 2007, we entered into a senior secured exit financing facility (the "Senior Secured Exit Financing Facilities") to borrow up to $2.5 billion. The Senior Secured Exit Financing Facilities consist of a $1.0 billion first-lien revolving credit facility (the "Exit Revolving Facility"), a $600 million first-lien synthetic revolving facility (the "Synthetic Facility") (together with the Exit Revolving Facility, the "First-Lien Facilities"), and a $900 million second-lien term loan facility (the "Term Loan" or the "Second-Lien Facility"). During 2008, we borrowed the entire amount of the Exit Revolving Facility. Borrowings under the First-Lien Facilities are due in April 2012 and borrowings under the Second-Lien Facility are due in April 2014. As of December 31, 2009, the Senior Secured Exit Financing Facilities had interest rates ranging from 2.3% to 3.5% per annum.

Our obligations under the Senior Secured Exit Financing Facilities are guaranteed by substantially all of our domestic subsidiaries (the "Guarantors"). The Senior Secured Exit Financing Facilities and the related guarantees are secured by liens on substantially all of our and the Guarantors' present and future assets that do not secure other financings (the "Collateral"). The First-Lien Facilities are secured by a first priority security interest in the Collateral. The Second-Lien Facility is secured by a second priority security interest in the Collateral.

The Senior Secured Exit Financing Facilities include affirmative, negative and financial covenants that restrict our ability to, among other things, incur additional secured indebtedness, make investments, sell or otherwise dispose of assets if not in compliance with the collateral coverage ratio tests, pay dividends or repurchase stock. These covenants may have a material adverse impact on our operations. The Senior Secured Exit Financing Facilities contain financial covenants that require us to:

- maintain a minimum fixed charge coverage ratio (defined as the ratio of (1) earnings before interest, taxes, depreciation, amortization and aircraft rent, and subject to other adjustments to net income ("EBITDAR") to (2) the sum of gross cash interest expense, cash aircraft rent expense and the interest portion of our capitalized lease obligations, for successive trailing 12-month periods ending at each quarter-end date through the maturity date of the respective Senior Secured Exit Financing Facilities), which minimum ratio is 1.20:1 in the case of the First-Lien Facilities and 1.02:1 in the case of the Second-Lien Facility;
- maintain unrestricted cash, cash equivalents and permitted investments of not less than $750 million in the case of the First-Lien Facilities and $650 million in the case of the Second-Lien Facility;
- maintain a minimum total collateral coverage ratio (defined as the ratio of (1) certain of the Collateral that meets specified eligibility standards ("Eligible Collateral") to (2) the sum of the aggregate outstanding exposure under the First-Lien Facilities and the Second-Lien Facility and the aggregate termination value of certain hedging agreements) of 125% at all times; and
- in the case of the First-Lien Facilities, also maintain a minimum first-lien collateral coverage ratio (together with the total collateral coverage ratio described above, the "collateral coverage ratios") (defined as the ratio of (1) Eligible Collateral to (2) the sum of the aggregate outstanding exposure under the First Lien Facilities and the aggregate termination value of certain hedging agreements) of 175% at all times.

If the collateral coverage ratios are not maintained, we must either provide additional collateral to secure our obligations, or we must repay the loans under the Senior Secured Exit Financing Facilities by an amount necessary to maintain compliance with the collateral coverage ratios.

The Senior Secured Exit Financing Facilities contain events of default customary for senior secured exit financings, including cross-defaults to other material indebtedness and certain change of control events. The Senior Secured Exit Financing Facilities also include events of default specific to our business, including the suspension of all or substantially all of our flights and other operations for more than two consecutive days (other than as a result of a Federal Aviation Administration suspension due to extraordinary events similarly affecting other major U.S. air carriers). Upon the occurrence of an event of default, the outstanding obligations under the Senior Secured Exit Financing Facilities may be accelerated and become due and payable immediately and our cash may become restricted.

Senior Secured Credit Facilities due 2013

In 2009, we entered into a first-lien revolving credit facility in the aggregate principal amount of $500 million (the "Revolving Facility") and a first-lien term loan facility in the aggregate principal amount of $250 million (the "Term Facility" and collectively with the Revolving Facility, the "Senior Secured Credit Facilities"). The Senior Secured Credit Facilities are guaranteed by the Guarantors and are secured by a first lien on our Pacific route authorities and certain related assets (the "Pacific Collateral"). Lenders under the Senior Secured Credit Facilities and holders of the Senior Secured Notes (as described below) have equal rights to payment and collateral.

Borrowings under the Term Facility must be repaid in an amount equal to 1% of the original principal amount of the term loans annually (to be paid in equal quarterly installments), with the balance of the term loans due and payable in September 2013. Borrowings under the Term Facility bear interest at a variable rate equal to LIBOR or another index rate, in each case plus a specified margin. As of December 31, 2009, the Term Facility had an interest rate of 8.8% per annum.

In 2009, we borrowed and subsequently repaid the entire amount of the Revolving Facility, which matures in March 2013. Borrowings under the Revolving Facility can be prepaid without penalty and amounts prepaid can be reborrowed. Borrowings under the Revolving Facility bear interest at a variable rate equal to LIBOR or another index rate, in each case plus a specified margin. As of December 31, 2009, the Revolving Facility was undrawn.

The Senior Secured Credit Facilities contain affirmative and negative covenants and default provisions that are substantially similar to the ones described under “Senior Secured Exit Financing Facilities” above. The Senior Secured Credit Facilities also contain financial covenants that require us to:

- maintain a minimum fixed charge coverage ratio (defined as the ratio of (1) EBITDAR (excluding gains and losses arising under fuel hedging arrangements incurred prior to the closing date of the Senior Secured Credit Facilities) to (2) the sum of cash interest expense plus cash aircraft rent expense plus the interest portion of Delta’s capitalized lease obligations) in each case for the 12-month period ending as of the last day of each fiscal quarter of not less than 1.20 to 1;
- maintain a minimum collateral coverage ratio (defined as the ratio of aggregate current fair market value of the collateral to the sum of the aggregate outstanding exposure under the Senior Secured Credit Facilities and certain obligations with equal rights to payment and collateral and the aggregate principal amount of the outstanding Senior Secured Notes) of 1.60:1; and
- maintain unrestricted cash, cash equivalents and short-term investments of not less than $2 billion.

The Senior Secured Credit Facilities also contain mandatory prepayment provisions that require us in certain instances to prepay obligations under the Senior Secured Credit Facilities in connection with dispositions of collateral. In addition, if the collateral coverage ratio is less than 1.60:1, we must either provide additional collateral in the form of cash or additional routes and slots to secure our obligations, or we must repay the loans under the Senior Secured Credit Facilities by an amount necessary to comply with the collateral coverage ratio.

Senior Secured Notes due 2014

Also in 2009, we issued $750 million of Senior Secured Notes (the “Senior Secured Notes”). The Senior Secured Notes mature in September 2014 and have a fixed interest rate of 9.5% per annum. We may redeem some or all of the Senior Secured Notes at any time on or after September 15, 2011 at specified redemption prices. If we sell certain of our assets or if we experience specific kinds of changes in control, we must offer to repurchase the Senior Secured Notes.

Our obligations under the Senior Secured Notes are guaranteed by the Guarantors. The Senior Secured Notes and related guarantees are secured on a senior basis equally and ratably with the indebtedness incurred under our Senior Secured Credit Facilities by security interests in the Pacific Collateral.

The Senior Secured Notes include covenants that, among other things, restrict our ability to sell assets, incur additional indebtedness, issue preferred stock, make investments or pay dividends. In addition, in the event the collateral coverage ratio, which has the same definition as the Senior Secured Credit Facilities, is less than 1.60:1, we must pay additional interest on the Senior Secured Notes at the rate of 2% per annum until the collateral coverage ratio equals at least 1.60:1.

The Senior Secured Notes contain events of default customary for similar financings, including cross-defaults to other material indebtedness. Upon the occurrence of an event of default, the outstanding obligations under the Senior Secured Notes may be accelerated and become due and payable immediately.

Senior Second Lien Notes due 2015

In conjunction with the issuance of the Senior Secured Notes, we issued $600 million of Senior Second Lien Notes (the “Senior Second Lien Notes”). The Senior Second Lien Notes mature in March 2015 and have a fixed interest rate of 12.25% per annum. We may redeem some or all of the Senior Second Lien Notes at any time on or after March 15, 2012 at specified redemption prices. If we sell certain of our assets or if we experience specific kinds of changes in control, we must offer to repurchase the Senior Second Lien Notes.

Our obligations under the Senior Second Lien Notes are guaranteed by the Guarantors. The Senior Second Lien Notes and related guarantees are secured on a junior basis by security interests in the Pacific Collateral.

The Senior Second Lien Notes include covenants and default provisions that are substantially similar to the ones described under "Senior Secured Notes due 2014" above. In addition, in the event (1) the collateral coverage ratio (defined as the ratio of aggregate current market value of the collateral to the sum of the aggregate outstanding exposure under the Senior Secured Credit Facilities and certain obligations with equal rights to payment and collateral, the aggregate principal amount of the outstanding Senior Secured Notes, and the aggregate principal amount of the outstanding Senior Second Lien Notes and any other permitted junior indebtedness that is secured by the collateral) is less than 1.00:1 or (2) we are required to pay additional interest on the Senior Secured Notes, we must pay additional interest on the Senior Second Lien Notes at the rate of 2% per annum until the later of (a) the collateral coverage ratio equals at least 1.00:1 or (b) special interest on the Senior Secured Notes ceases to accrue.

Bank Revolving Credit Facilities due 2010 and 2012

In December 2009, we entered into a $100 million first-lien revolving credit facility, which is guaranteed by the Guarantors and is secured by a first lien on certain aircraft, engines and related assets owned by Mesaba and us. Borrowings under this facility are due in December 2012, can be repaid and reborrowed without penalty and bear interest at a variable rate equal to LIBOR or another index rate, in each case plus a specified margin. As of December 31, 2009, the facility was undrawn.

In December 2009, we also entered into a $150 million first-lien revolving credit facility, which is guaranteed by the Guarantors and is secured by a first lien on certain aircraft, engines and related assets owned by Delta and Comair. Borrowings under the facility are due in December 2010; however, we may request additional one-year renewals of the facility thereafter. Borrowings can be repaid and reborrowed without penalty and bear interest at a variable rate equal to LIBOR or another index rate, in each case plus a specified margin. As of December 31, 2009, the facility was undrawn.

Under both of these facilities, we must maintain a minimum balance of cash, permitted investments and available borrowing capacity under committed facilities at a specified level. We are also required to maintain a minimum collateral coverage ratio under both facilities. If the collateral coverage ratio is not maintained, we must either provide additional collateral to secure our obligations or repay the relevant facility by an amount necessary to maintain compliance with the collateral coverage ratio. Both facilities contain other covenants and events of default, including cross-defaults to other material indebtedness, that are substantially similar to the ones described under "Senior Secured Exit Financing Facilities due 2012 and 2014" above.

Other Financing Agreements

Certificates. Pass-Through Trust Certificates and Enhanced Equipment Trust Certificates (collectively, the "Certificates") are secured by 242 aircraft. As of December 31, 2009, the Certificates had interest rates ranging from 0.8% to 9.8%. We issued $689 million of Class A and Class B Pass Through Certificates, Series 2009-1 in November 2009 through two separate pass through trusts (the "2009-1 EETC"). The trusts hold equipment notes for, and are secured by, the 2009 Aircraft and are expected, after the maturity of our 2000-1 EETC in November 2010, to hold equipment notes for, and be secured by, the 2000-1 Aircraft. The equipment notes have a weighted average fixed interest rate of 8.1%.

Aircraft Financing. We have $6.0 billion of loans secured by 300 aircraft, not including aircraft securing the Certificates. These loans had interest rates ranging from 0.7% to 7.2% at December 31, 2009. During 2008, we entered into agreements to borrow up to $1.6 billion to finance the purchase of 35 aircraft. In 2009, we took delivery of and financed 20 aircraft, five of which were the 2009 Aircraft which were refinanced in connection with the 2009-1 EETC.

Other Secured Financings. Other secured financings primarily include (1) manufacturer term loans, secured by spare parts, spare engines and aircraft and (2) real estate loans. The financings had annual interest rates ranging from 1.5% to 8.5% at December 31, 2009.

American Express Agreement . In December 2008, we announced a multi-year extension of the American Express Agreement. As part of the American Express Agreement, we received $1.0 billion from American Express for an advance purchase of SkyMiles, which amount is classified as long-term debt. This obligation will not be satisfied by cash payments, but through the use of SkyMiles by American Express over an expected two year period beginning in December 2010.

Clayton County Bonds, Series 2009 . In December 2009, the Development Authority of Clayton County (the “Development Authority”) issued bonds with principal of $150 million, in two series, maturing in 2029 and 2035 (the “Clayton Bonds”). The Clayton Bonds have a weighted average fixed interest rate of 8.9% and are subject to mandatory sinking fund redemption requirements. The proceeds of this sale were loaned to us to refund bonds that previously had been issued to refinance certain of our facilities at Atlanta’s Hartsfield-Jackson International Airport. The bonds are secured solely by the Development Authority’s pledge of the revenues payable to it under loan agreements between Delta and the Development Authority. Our obligations under the loan agreements are not secured.

Northwest Revolving Credit Facility due 2009 . In 2009, we amended the Northwest Revolving Credit Facility to, among other things, reduce its borrowing limit from $500 million to $300 million and change its maturity date to December 30, 2009. Borrowings under the Northwest Revolving Credit Facility were guaranteed by Northwest Airlines Corporation and certain of its subsidiaries. The Northwest Revolving Credit Facility and related guarantees were secured by substantially all of Northwest’s unencumbered assets as of October 29, 2008. The Northwest Revolving Credit Facility terminated in December 2009 on its maturity date.

Covenants

We were in compliance with all covenants in our financing agreements at December 31, 2009.

Future Maturities

The following table summarizes scheduled maturities of our debt, including current maturities, at December 31, 2009:

Years Ending December 31, (in millions)	**Total**
2010	$ 1,709
2011	2,573
2012	3,440
2013	1,382
2014	2,865
Thereafter	6,099
	18,068
Unamortized discount, net	(1,403)
Total	$16,665

NOTE 7. LEASE OBLIGATIONS

We lease aircraft, airport terminals and maintenance facilities, ticket offices and other property and equipment from third parties. Rental expense for operating leases, which is recorded on a straight-line basis over the life of the lease term, totaled $1.3 billion and $798 million for the years ended December 31, 2009 and 2008, respectively, $470 million for the eight months ended December 31, 2007 and $261 million for the four months ended April 30, 2007. Amounts due under capital leases are recorded as liabilities on our Consolidated Balance Sheets. Assets acquired under capital leases are recorded as property and equipment on our Consolidated Balance Sheets. Amortization of assets recorded under capital leases is included in depreciation and amortization expense on our Consolidated Statements of Operations. Many of our facility, aircraft and equipment leases include rental escalation clauses and/or renewal options. Our leases do not include residual value guarantees.

The following tables summarize, as of December 31, 2009, our minimum rental commitments under capital leases and noncancelable operating leases (including certain aircraft under Contract Carrier agreements) with initial or remaining terms in excess of one year:

Capital Leases

Years Ending December 31, (in millions)	
2010	$148
2011	146
2012	119
2013	87
2014	67
Thereafter	337
Total minimum lease payments	904
Less: amount of lease payments representing interest	(396)
Present value of future minimum capital lease payments	508
Plus: unamortized premium, net	25
Less: current obligations under capital leases	(88)
Long-term capital lease obligations	$445

Operating Leases

Years Ending December 31, (in millions)	**Delta Lease Payments**	**Contract Carrier Aircraft Lease Payments [1]**	**Total**
2010	$1,082	$ 507	$ 1,589
2011	910	497	1,407
2012	806	490	1,296
2013	711	460	1,171
2014	634	451	1,085
Thereafter	3,700	1,542	5,242
Total minimum lease payments	$7,843	$3,947	$11,790

(1) These amounts represent the minimum lease obligations under our Contract Carrier agreements with Atlantic Southeast Airlines, Inc. (“ASA”), Chautauqua Airlines, Inc. (“Chautauqua”), Freedom Airlines, Inc. (“Freedom”), Pinnacle Airlines, Inc. (“Pinnacle”), Shuttle America Corporation (“Shuttle America”) and SkyWest Airlines, Inc. (“SkyWest Airlines”).

At December 31, 2009, we operated 213 aircraft under operating leases and 93 aircraft under capital leases. Our Contract Carriers under capacity purchase agreements operated 450 aircraft under operating leases. Leases for aircraft operated by us and our Contract Carriers have expiration dates ranging from 2010 to 2025. During the four months ended April 30, 2007, we recorded estimated claims relating to the restructuring of the financing arrangements for many of our aircraft and the rejection of certain of our leases in connection with our bankruptcy proceedings.

NOTE 8. PURCHASE COMMITMENTS AND CONTINGENCIES

Aircraft Commitments

Future purchase commitments for aircraft as of December 31, 2009 are estimated to total approximately $1.1 billion for the year ended December 31, 2010. Approximately $800 million of the $1.1 billion is associated with the purchase of 20 B-737-800 aircraft for which we have entered into definitive agreements to sell to third parties immediately following delivery of those aircraft to us by the manufacturer. We have not received any notice that these parties have defaulted on their purchase obligations. The remaining commitments relate to the purchase of two B-777-200LR aircraft, two B-737-800 aircraft and 11 previously owned MD-90 aircraft. We have no aircraft purchase commitments after December 31, 2010.

As of December 31, 2009, we have financing commitments from third parties or, with respect to 20 of the 22 B-737-800 aircraft referred to above, definitive agreements to sell all aircraft subject to purchase commitments, except for nine of the 11 previously owned MD-90 aircraft. Under these financing commitments, third parties have agreed to finance on a long-term basis a substantial portion of the purchase price of the covered aircraft.

Our aircraft purchase commitments described above do not include our orders for:

- 18 B-787-8 aircraft. The Boeing Company ("Boeing") has informed us that Boeing will be unable to meet the contractual delivery schedule for these aircraft. We are in discussions with Boeing regarding this situation.
- five A319-100 aircraft and two A320-200 aircraft. We have the right to cancel these orders.

Contract Carrier Agreements

During the year ended December 31, 2009, we had Contract Carrier agreements with 10 Contract Carriers, including our wholly-owned subsidiaries, Comair, Compass and Mesaba.

Capacity Purchase Agreements . During the year ended December 31, 2009, six Contract Carriers operated for us (in addition to Comair, Compass and Mesaba) pursuant to capacity purchase agreements. Under these agreements, the Contract Carriers operate some or all of their aircraft using our flight designator codes, and we control the scheduling, pricing, reservations, ticketing and seat inventories of those aircraft and retain the revenues associated with those flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services.

The following table shows our minimum fixed obligations under these capacity purchase agreements (excluding Comair, Compass and Mesaba). The obligations set forth in the table contemplate minimum levels of flying by the Contract Carriers under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as for fuel, labor, maintenance, insurance, catering, property tax and landing fees. Accordingly, our actual payments under these agreements could differ materially from the minimum fixed obligations set forth in the table below.

Year Ending December 31, (in millions)	**Amount** [(1)]
2010	$1,870
2011	1,780
2012	1,770
2013	1,820
2014	1,900
Thereafter	7,550
Total	$16,690

(1) These amounts exclude contract carrier lease payments accounted for as operating leases, which are described in Note 7. The contingencies described below under "Contingencies Related to Termination of Contract Carrier Agreements" are not included in this table.

The following table shows by Contract Carrier and contract (1) the number of aircraft in operation as of December 31, 2009, (2) the number of aircraft scheduled to be in operation as of December 31, 2010, (3) the number of aircraft scheduled to be in operation immediately prior to the expiration date of the agreement and (4) the expiration date of the agreement:

Carrier	Number of Aircraft in Operation as of December 31, 2009	Number of Aircraft Scheduled to be in Operation as of December 31, 2010	Number of Aircraft Scheduled to be in Operation Immediately Prior to the Expiration of the Agreement	Expiration Date of Agreement
ASA	152	132	16	2020
SkyWest Airlines	82	82	37	2020
ASA/SkyWest Airlines (1)	12	12	12	2012
Chautauqua	24	24	24	2016
Freedom (ERJ-145 aircraft) (2)	22	22	22	2012
Shuttle America	16	16	16	2019
Pinnacle (CRJ-900 aircraft)	16	16	16	2019
Pinnacle (CRJ-200 aircraft)	126	126	124	2017
Total	450	430	267	

The table above was not subject to the audit procedures of our Independent Registered Public Accounting Firm.

(1) We have an agreement with ASA, SkyWest Airlines and SkyWest, Inc. ("SkyWest"), the parent company of ASA and SkyWest Airlines, under which the parties collectively determine whether the aircraft are operated by ASA or SkyWest Airlines.

(2) We are in litigation with Freedom and its parent company, Mesa Air Group, Inc. ("Mesa") regarding our ability to terminate our agreement with Freedom prior to its expiration date in 2012.

The following table shows the available seat miles ("ASMs") and revenue passenger miles ("RPMs") operated for us under capacity purchase agreements with our regional air carriers (excluding Comair, Compass and Mesaba) for the years ended December 31, 2009, 2008 and 2007:

(in millions, except for number of aircraft operated)	2009	2008	2007
ASMs	20,852	17,425	17,881
RPMs	16,424	13,899	14,005
Number of aircraft operated, end of period	450	443	349

The table above was not subject to the audit procedures of our Independent Registered Public Accounting Firm.

Revenue Proration Agreements . As of December 31, 2009, we had a revenue proration agreement with American Eagle Airlines, Inc. In addition, a portion of our contract carrier agreement with SkyWest Airlines is structured as a revenue proration agreement. These agreements establish a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

Contingencies Related to Termination of Contract Carrier Agreements

We may terminate the Chautauqua and Shuttle America agreements without cause at any time after May 2010 and January 2016, respectively, by providing certain advance notice. If we terminate either the Chautauqua or Shuttle America agreements without cause, Chautauqua or Shuttle America, respectively, has the right to (1) assign to us leased aircraft that the airline operates for us, provided we are able to continue the leases on the same terms the airline had prior to the assignment and (2) require us to purchase or lease any of the aircraft that the airline owns and operates for us at the time of the termination. If we are required to purchase aircraft owned by Chautauqua or Shuttle America, the purchase price would be equal to the amount necessary to (1) reimburse Chautauqua or Shuttle America for the equity it provided to purchase the aircraft and (2) repay in full any debt outstanding at such time that is not being assumed in connection with such purchase. If we are required to lease aircraft owned by Chautauqua or Shuttle America, the lease would have (1) a rate equal to the debt payments of Chautauqua or Shuttle America for the debt financing of the aircraft calculated as if 90% of the aircraft was debt financed by Chautauqua or Shuttle America and (2) other specified terms and conditions.

We estimate that the total fair values, determined as of December 31, 2009, of the aircraft that Chautauqua or Shuttle America could assign to us or require that we purchase if we terminate without cause our contract carrier agreements with those airlines (the “Put Right”) are approximately $200 million and $440 million, respectively. The actual amount that we may be required to pay in these circumstances may be materially different from these estimates. If the Chautauqua or Shuttle America Put Right is exercised, we must also pay the exercising carrier 10% interest (compounded monthly) on the equity the carrier provided when it purchased the put aircraft. These equity amounts for Chautauqua and Shuttle America total $25 million and $52 million, respectively.

Legal Contingencies

We are involved in various legal proceedings relating to employment practices, environmental issues, bankruptcy matters, antitrust matters and other matters concerning our business. We cannot reasonably estimate the potential loss for certain legal proceedings because, for example, the litigation is in its early stages or the plaintiff does not specify the damages being sought.

Credit Card Processing Agreements

Visa/MasterCard Processing Agreement

Our Visa/MasterCard credit card processing agreement provides that no cash reserve (“Reserve”) is required except in certain circumstances, including when we do not maintain a required level of unrestricted cash. In circumstances in which the processor can establish a Reserve, the amount of the Reserve would be equal to the potential liability of the credit card processor for tickets purchased with Visa or MasterCard that had not yet been used for travel. There was no Reserve as of December 31, 2009 and 2008.

American Express

Our American Express credit card processing agreement provides that no withholding of our receivables will occur except in certain circumstances, including when we do not maintain a required level of unrestricted cash. In circumstances in which American Express is permitted to withhold our receivables, the amount that can be withheld is an amount up to American Express’ potential liability for tickets purchased with the American Express credit card that had not yet been used for travel. No amounts were withheld as of December 31, 2009 and 2008 .

Other Contingencies

General Indemnifications

We are the lessee under many commercial real estate leases. It is common in these transactions for us, as the lessee, to agree to indemnify the lessor and the lessor’s related parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at, or in connection with, the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence and their willful misconduct.

Our aircraft and other equipment lease and financing agreements typically contain provisions requiring us, as the lessee or obligor, to indemnify the other parties to those agreements, including certain of those parties’ related persons, against virtually any liabilities that might arise from the condition, use or operation of the aircraft or such other equipment.

We believe that our insurance would cover most of our exposure to such liabilities and related indemnities associated with the types of lease and financing agreements described above, including real estate leases. However, our insurance does not typically cover environmental liabilities, although we have certain policies in place to meet the requirements of applicable environmental laws.

Certain of our aircraft and other financing transactions include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions, we also bear the risk of certain changes in tax laws that would subject payments to non-U.S. lenders to withholding taxes.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

Employees Under Collective Bargaining Agreements

At December 31, 2009, we had 81,106 full-time equivalent employees. Approximately 39% of these employees were represented by unions, including the following domestic employee groups.

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	10,790	ALPA	December 31, 2012
Delta Flight Superintendents (Dispatchers)	318	PAFCA	December 31, 2013
Pre-merger NWA Fleet Service, Passenger Service, and Office/Clerical	9,407	IAM	December 31, 2010
Pre-merger NWA Simulator Technicians	38	IAM	December 31, 2010
Pre-merger NWA Stock Clerks	242	IAM	December 31, 2010
Pre-merger NWA Flight Attendants	5,970	AFA-CWA	December 31, 2011
Comair Pilots	1,314	ALPA	March 2, 2011
Comair Maintenance Employees	400	IAM	December 31, 2010
Comair Flight Attendants	764	IBT	December 31, 2010
Compass Pilots	373	ALPA	April 10, 2013
Mesaba Pilots	1,019	ALPA	June 1, 2012
Mesaba Flight Attendants	623	AFA-CWA	May 31, 2012
Mesaba Mechanics and Related Employees	353	AMFA	May 31, 2012
Mesaba Dispatchers	28	TWU	May 31, 2012

War-Risk Insurance Contingency

As a result of the terrorist attacks on September 11, 2001, aviation insurers significantly reduced the maximum amount of insurance coverage available to commercial air carriers for liability to persons (other than employees or passengers) for claims resulting from acts of terrorism, war or similar events. At the same time, aviation insurers significantly increased the premiums for such coverage and for aviation insurance in general. Since September 24, 2001, the U.S. government has been providing U.S. airlines with war-risk insurance to cover losses, including those resulting from terrorism, to passengers, third parties (ground damage) and the aircraft hull. The U.S. Secretary of Transportation has extended coverage through August 31, 2010. The withdrawal of government support of airline war-risk insurance would require us to obtain war-risk insurance coverage commercially, if available. Such commercial insurance could have substantially less desirable coverage than currently provided by the U.S. government, may not be adequate to protect our risk of loss from future acts of terrorism, may result in a material increase to our operating expense or may not be obtainable at all, resulting in an interruption to our operations.

Other

We have certain contracts for goods and services that require us to pay a penalty, acquire inventory specific to us or purchase contract specific equipment, as defined by each respective contract, if we terminate the contract without cause prior to its expiration date. Because these obligations are contingent on our termination of the contract without cause prior to its expiration date, no obligation would exist unless such a termination occurs.

NOTE 9. INCOME TAXES

Income Tax (Benefit) Provision

We consider all income sources, including other comprehensive income, in determining the amount of tax benefit allocated to continuing operations (the "Income Tax Allocation"). Accordingly, for the year ended December 31, 2009, we recorded an income tax benefit of $344 million, including a non-cash income tax benefit of $321 million on the loss from continuing operations, with an offsetting non-cash income tax expense of $321 million on other comprehensive income. Our overall tax provision is not impacted by this tax allocation.

Our income tax benefit (provision) for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007 consisted of:

	Successor			Predecessor
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,
(in millions)	2009	2008	2007	2007
Current tax benefit	$ 15	$ —	$ —	$ —
Deferred tax benefit (provision) exclusive of the other components listed below	850	866	(211)	(505)
(Increase) decrease in valuation allowance	(521)	(747)	—	509
Income tax benefit (provision)	$ 344	$ 119	$(211)	$ 4

The following table presents the principal reasons for the difference between the effective tax rate and the U.S. federal statutory income tax rate for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007:

	Successor			Predecessor
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,
	2009	2008	2007	2007
U.S. federal statutory income tax rate	(35.0)%	(35.0)%	35.0%	35.0%
State taxes, net of federal income tax effect	(1.8)	(0.6)	3.7	3.6
Increase (decrease) in valuation allowance [(1)]	32.9	8.3	—	(39.3)
Income Tax Allocation	(20.2)	—	—	—
Goodwill impairment	—	26.8	—	—
Other, net	2.4	(0.8)	1.5	0.4
Effective income tax rate	(21.7)%	(1.3)%	40.2%	(0.3)%

(1) For the four months ended April 30, 2007, the decrease in the valuation allowance reflects fresh start reporting adjustments.

Deferred Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The following table shows significant components of our deferred tax assets and liabilities at December 31, 2009 and 2008:

(in millions)	2009	2008
Deferred tax assets:		
Net operating loss carryforwards	$6,419	$5,450
Pension, postretirement and other benefits	4,661	4,491
AMT credit carryforward	452	505
Deferred revenue	2,282	2,339
Rent expense	272	291
Reorganization items, net	1,033	1,375
Fuel hedge derivatives	30	663
Other temporary differences	413	565
Valuation allowance	(9,897)	(9,830)
Total deferred tax assets	$5,665	$5,849
Deferred tax liabilities:		
Depreciation	$4,858	$4,856
Debt valuation	431	627
Intangible assets	1,757	1,795
Other	179	151
Total deferred tax liabilities	$7,225	$7,429

The following table shows the current and noncurrent deferred tax assets (liabilities), recorded on our Consolidated Balance Sheets at December 31, 2009 and 2008:

(in millions)	2009	2008
Current deferred tax assets, net	$ 107	$ 401
Noncurrent deferred tax liabilities, net	(1,667)	(1,981)
Total deferred tax liabilities, net	$(1,560)	$(1,580)

The current and noncurrent components of our deferred tax balances are generally based on the balance sheet classification of the asset or liability creating the temporary difference. If the deferred tax asset or liability is not based on a component of our balance sheet, such as our net operating loss ("NOL") carryforwards, the classification is presented based on the expected reversal date of the temporary difference. Our valuation allowance has been classified as current or noncurrent based on the percentages of current and noncurrent deferred tax assets to total deferred tax assets.

At December 31, 2009, we had (1) $452 million of federal alternative minimum tax ("AMT") credit carryforwards, which do not expire and (2) $17.3 billion of federal and state pretax NOL carryforwards, substantially all of which will not begin to expire until 2022.

Both Delta and Northwest experienced an ownership change in 2007 as a result of their respective plans of reorganization under Chapter 11 of the U.S. Bankruptcy Code. As a result of the Merger, Northwest experienced a subsequent ownership change. Delta also experienced a subsequent ownership change on December 17, 2008 as a result of the Merger, the issuance of equity to employees in connection with the Merger and other transactions involving the sale of common stock within the testing period. We currently expect these ownership changes will not significantly limit our ability to utilize our AMT credit or NOLs in the carryforward period.

Uncertain Tax Positions

Unrecognized tax benefits totaled $66 million and $29 million on our Consolidated Balance Sheets at December 31, 2009 and 2008, respectively. This includes $47 million of tax benefits as of December 31, 2009 and $10 million of tax benefits as of December 31, 2008, that will affect the effective tax rate when recognized.

We accrue interest and penalties related to unrecognized tax benefits in interest expense and operating expense, respectively. The impact related to interest and penalties on our Consolidated Statements of Operations for the years ended December 31, 2009 and 2008 was not material.

We are currently under audit by the IRS for the 2008 and 2009 tax years.

The following table summarizes the changes to the amount of unrecognized tax benefits for the years ended December 31, 2008 and 2009:

(in millions)	
Unrecognized tax benefits at January 1, 2008	$143
Gross increases-tax positions in prior period	2
Gross decreases-tax positions in prior period	(91)
Settlements	(25)
Unrecognized tax benefits at December 31, 2008	29
Gross increases-tax positions in prior period	3
Gross decreases-tax positions in prior period	(1)
Gross increases-tax positions in current period	38
Settlements	(3)
Unrecognized tax benefits at December 31, 2009	$ 66

Valuation Allowance

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets, and we establish valuation allowances if recovery is deemed not likely. In making this determination, we consider all available positive and negative evidence and make certain assumptions. We consider, among other things, our deferred tax liabilities, the overall business environment, our historical earnings and losses, our industry's historically cyclical periods of earnings and losses and potential, current and future tax planning strategies. We cannot presently determine when we will be able to generate sufficient taxable income to realize our deferred tax assets. Accordingly, we have recorded a full valuation allowance against our net deferred tax assets.

Prior to January 1, 2009, any reduction in the valuation allowance as a result of the recognition of deferred tax assets was adjusted first through goodwill followed by other indefinite-lived intangible assets until the net carrying value of those assets was zero. Beginning January 1, 2009, any reduction in the valuation allowance is reflected through the income tax provision.

NOTE 10. EMPLOYEE BENEFIT PLANS

We sponsor defined benefit and defined contribution pension plans, healthcare plans, and disability and survivorship plans for eligible employees and retirees, and their eligible family members.

Defined Benefit Pension, Other Postretirement and Postemployment Benefit Plans

Defined Benefit Pension Plans. We sponsor a defined benefit pension plan for eligible non-pilot Delta employees and retirees (the "Delta Non-Pilot Plan") and defined benefit pension plans for eligible Northwest employees and retirees (the "Northwest Pension Plans"). These plans have been closed to new entrants and frozen for future benefit accruals.

The Pension Protection Act of 2006 allows commercial airlines to elect alternative funding rules ("Alternative Funding Rules") for defined benefit plans that are frozen. Under the Alternative Funding Rules, the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% interest rate. Delta elected the Alternative Funding Rules for the Delta Non-Pilot Plan, effective April 1, 2007, and Northwest elected the Alternative Funding Rules for the Northwest Pension Plans, effective October 1, 2006. We estimate that the funding requirements under these plans will be approximately $720 million in 2010.

Defined Contribution Pension Plans. We sponsor several defined contribution plans. These plans generally cover different employee groups and employer contributions vary by plan. The cost associated with our defined contribution pension plans is reflected in the tables below.

Postretirement Healthcare Plans. We sponsor healthcare plans that provide benefits to eligible retirees and their dependents who are under age 65. During bankruptcy, we generally eliminated company-paid post age 65 healthcare coverage, except for (1) subsidies available to a limited group of retirees and their dependents and (2) a group of retirees who retired prior to 1987. Benefits under these plans are funded from current assets and are subject to co-payments, deductibles and other limits as described in the plans.

Postemployment Plans. We provide certain other welfare benefits to eligible former or inactive employees after employment, but before retirement, primarily as part of the disability and survivorship plans. Substantially all employees are eligible for benefits under these disability and survivorship plans in the event of a participant's death or disability.

Obligations, Fair Value of Plan Assets, and Funded Status (measured at December 31, 2009 and 2008) were:

	Pension Benefits		Other Postretirement Benefits		Other Postemployment Benefits	
	December 31,		December 31,		December 31,	
(in millions)	2009	2008	2009	2008	2009	2008
Benefit obligation at beginning of period (1)	$15,929	$ 7,383	$ 1,306	$ 965	$ 1,970	$ 2,028
Obligations assumed in Merger	—	7,469	—	501	—	58
Service cost	—	—	20	10	33	28
Interest cost	1,002	550	82	65	125	127
Actuarial loss (gain)	1,170	1,164	39	(147)	125	(132)
Benefits paid, including lump sums and annuities	(1,021)	(637)	(186)	(142)	(142)	(139)
Participant contributions	—	—	56	54	—	—
Plan amendments	—	—	(61)	—	54	—
Special termination benefits	—	—	6	—	—	—
Settlements	(49)	—	—	—	—	—
Benefit obligation at end of period (1)	$17,031	$15,929	$ 1,262	$ 1,306	$ 2,165	$ 1,970
Fair value of plan assets at beginning of period	$ 7,295	$ 4,882	$ 4	$ —	$ 1,048	$ 1,764
Assets acquired in Merger	—	4,015	—	4	—	—
Actual gain (loss) on plan assets	1,198	(1,090)	—	—	291	(497)
Employer contributions	200	125	129	88	29	1
Participant contributions	—	—	56	54	—	—
Benefits paid, including lump sums and annuities	(1,021)	(637)	(186)	(142)	(218)	(220)
Settlements	(49)	—	—	—	—	—
Fair value of plan assets at end of period	$ 7,623	$ 7,295	$ 3	$ 4	$ 1,150	$ 1,048
Funded status at end of period	$ (9,408)	$ (8,634)	$(1,259)	$(1,302)	$(1,015)	$ (922)

(1) At each period-end presented above, our accumulated benefit obligations for our pension plans are equal to the benefit obligations shown above.

Amounts recognized on our Consolidated Balance Sheets as of December 31, 2009 and 2008 consist of:

	Pension Benefits		Other Postretirement Benefits		Other Postemployment Benefits	
	December 31,		December 31,		December 31,	
(in millions)	2009	2008	2009	2008	2009	2008
Liabilities						
Current liabilities	$ (13)	$ (19)	$ (110)	$ (114)	$ (32)	$ (14)
Noncurrent liabilities	(9,395)	(8,615)	(1,149)	(1,188)	(983)	(908)
Total Liabilities	$(9,408)	$(8,634)	$(1,259)	$(1,302)	$(1,015)	$(922)
Accumulated other comprehensive (loss) income, pretax						
Net (loss) gain	$(3,089)	$(2,546)	$ 262	$ 320	$ (379)	$(484)
Prior service cost	—	—	61	(1)	(54)	—
Total other comprehensive (loss) income	$(3,089)	$(2,546)	$ 323	$ 319	$ (433)	$(484)

Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2010 are $48 million and $14 million in pension benefits and other postemployment benefits, respectively, and an actuarial gain of $22 million relating to other postretirement benefits. Amounts are generally amortized into accumulated other comprehensive income over the expected future lifetime of plan participants.

Net periodic cost (benefit) for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007 included the following components:

	Pension Benefits			
	Successor			Predecessor
(in millions)	Year Ended December 31, 2009	Year Ended December 31, 2008	Eight Months Ended December 31, 2007	Four Months Ended April 30, 2007
Service cost	$ —	$ —	$ —	$ —
Interest cost	1,002	550	296	145
Expected return on plan assets	(615)	(479)	(281)	(129)
Recognized net actuarial loss	33	—	—	19
Settlement charge (gain), net	9	3	—	(30)
Revaluation of liability	—	—	—	(143)
Net periodic cost (benefit)	$ 429	$ 74	$ 15	$(138)
Defined contribution plan costs	306	211	128	36
Total cost (benefit)	$ 735	$ 285	$ 143	$(102)

	Other Postretirement Benefits			
	Successor			Predecessor
(in millions)	Year Ended December 31, 2009	Year Ended December 31, 2008	Eight Months Ended December 31, 2007	Four Months Ended April 30, 2007
Service cost	$ 20	$ 10	$ 8	$ 4
Interest cost	82	65	42	21
Amortization of prior service benefit	—	—	—	(31)
Recognized net actuarial (gain) loss	(18)	(6)	—	8
Special termination benefits	6	—	—	—
Revaluation of liability	—	—	—	49
Net periodic cost	$ 90	$ 69	$ 50	$ 51

	Other Postemployment Benefits			
	Successor			Predecessor
(in millions)	Year Ended December 31, 2009	Year Ended December 31, 2008	Eight Months Ended December 31, 2007	Four Months Ended April 30, 2007
Service cost	$ 33	$ 28	$ 21	$ 8
Interest cost	125	127	82	41
Expected return on plan assets	(79)	(151)	(104)	(51)
Amortization of prior service cost (benefit)	18	—	—	(2)
Recognized net actuarial loss	—	—	—	5
Revaluation of liability	—	—	—	(273)
Net periodic cost (benefit)	$ 97	$ 4	$ (1)	$(272)

Assumptions

We used the following actuarial assumptions to determine our benefit obligations at December 31, 2009 and December 31, 2008 and our net periodic (benefit) cost for the periods presented:

Benefit Obligations (1)(2)	December 31, 2009	December 31, 2008
Weighted average discount rate	5.93%	6.49%
Assumed healthcare cost trend rate (3)	7.50%	8.00%

Net Periodic Benefit Cost (2)(4)	Successor: Year Ended December 31, 2009	Successor: Year Ended December 31, 2008	Successor: Eight Months Ended December 31, 2007	Predecessor: Four Months Ended April 30, 2007
Weighted average discount rate—pension benefit	6.49%	7.19%	6.01%	5.99%
Weighted average discount rate—other postretirement benefit	6.46%	6.46%	5.63%	5.63%
Weighted average discount rate—other postemployment benefit	6.50%	6.95%	6.00%	5.63%
Weighted average expected long-term rate of return on plan assets	8.83%	8.96%	8.97%	8.96%
Assumed healthcare cost trend rate (3)	8.00%	8.00%	8.50%	8.50%

(1) Our 2009 and 2008 benefit obligations are measured using the RP 2000 combined healthy mortality table projected to 2013.

(2) Rate of increase in future compensation levels is not applicable for our frozen defined benefit pension plans and other postretirement plans and is only applicable to a small portion of our other postemployment liability.

(3) The assumed healthcare cost trend rate at December 31, 2009 is assumed to decline gradually to 5.00% by 2015 and remain level thereafter.

(4) Our 2009, 2008 and 2007 assumptions reflect various remeasurements of certain portions of our obligations and represent the weighted average of the assumptions used for each measurement date.

Assumed healthcare cost trend rates have an effect on the amounts reported for the other postretirement benefit plans. A 1% change in the healthcare cost trend rate used in measuring the accumulated plan benefit obligation ("APBO") for these plans at December 31, 2009, would have the following effects:

(in millions)	1% Increase	1% Decrease
Increase (decrease) in total service and interest cost	$ 7	$ (7)
Increase (decrease) in the APBO	55	(65)

The expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market returns and volatility data with forward looking estimates based on existing financial market conditions and forecasts. Modest excess return expectations versus some market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We review our rate of return on plan asset assumptions annually. These assumptions are largely based on the asset category rate-of-return assumptions developed annually with our pension investment advisors. The advisors' asset category return assumptions are based in part on a review of historical asset returns, but also emphasize current market conditions to develop estimates of future risk and return.

Table of Contents

Plan Assets

We have adopted and implemented investment policies for our defined benefit pension plans and disability and survivorship plan for pilots that incorporate strategic asset allocation mixes intended to best meet their long-term obligations. This asset allocation policy mix is reviewed every two to five years or earlier as deemed necessary. We regularly rebalance asset allocations toward the prevailing targets. The weighted-average target and actual asset allocations for the plans at December 31, 2009 and December 31, 2008 are as follows:

(in millions, except target allocations)	Weighted-Average Target Allocations	2009	2008
Domestic equity securities	40%	$3,435	$2,831
Non-U.S. developed equity securities	18	1,384	1,354
Non-U.S. emerging equity securities	5	422	222
Private equity / real estate / natural resources	14	1,552	1,605
Diversified fixed income	18	1,372	1,588
High yield fixed income	5	372	413
Cash equivalents	—	236	330
Total	100%	$8,773	$8,343

The plan assets investment strategies utilize a diversified mix of global public and private equity portfolios, public and private fixed income portfolios, and private real estate and natural resource investments. The overall asset mix of the portfolios is more heavily weighted in equity-like investments, including portions of the bond portfolio, which consist of convertible and high yield securities. Active management strategies are utilized where feasible in an effort to realize investment returns in excess of market indices. Currency overlay strategy is also used in an effort to generate modest amounts of additional income. A bond duration extension program utilizing fixed income derivatives is employed in an effort to better align the market value movements of a portion of the plan assets to the related plan liabilities. For additional information regarding the fair value of pension assets, see Note 3.

Benefit Payments

Benefit payments in the table below are based on the same assumptions used to measure the related benefit obligations and are paid from both funded benefit plan trusts and current assets. Actual benefit payments may vary significantly from these estimates. Benefits earned under our pension plans and certain postemployment benefit plans are expected to be paid from funded benefit plan trusts, while our other postretirement benefits are funded from current assets.

The following table summarizes, as of December 31, 2009, the benefit payments that are scheduled to be paid in the following years ending December 31:

(in millions)	Pension Benefits	Other Postretirement Benefits	Other Postemployment Benefits
2010	$ 1,041	$ 116	$ 145
2011	1,016	116	153
2012	1,023	108	161
2013	1,035	99	168
2014	1,052	93	175
2015-2019	5,603	438	975
Total	$10,770	$ 970	$ 1,777

Other Plans

We also sponsor defined benefit pension plans for eligible employees in certain foreign countries. These plans did not have a material impact on our Consolidated Financial Statements in any period presented.

Profit Sharing Program

Our broad based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined, we will pay at least 15% of that profit to employees. If the annual pre-tax profit is greater than $2.5 billion, we will pay 20% of the amount that exceeds $2.5 billion. We did not record an accrual under the profit sharing program in 2009 or 2008.

NOTE 11. CHAPTER 11 PROCEEDINGS

Bankruptcy Claims Resolution

Under Delta's Plan of Reorganization, most holders of allowed general, unsecured claims against the Delta Debtors received or will receive Delta common stock in satisfaction of their claims. Delta's Plan of Reorganization contemplates the distribution of 400 million shares of common stock, consisting of 386 million shares to holders of allowed, general, unsecured claims and 14 million shares to eligible non-contract, non-management employees. As of February 12, 2010, under Delta's Plan of Reorganization, we have (1) distributed 333 million shares of common stock to holders of $14.0 billion of allowed general, unsecured claims, (2) issued 14 million shares of common stock to eligible non-contract, non-management employees and (3) reserved 53 million shares of common stock for issuance to holders of allowed general, unsecured claims.

Northwest's Plan of Reorganization generally provides for the distribution of Northwest common stock to the Northwest Debtors' creditors, employees and others in satisfaction of allowed general, unsecured claims. Pursuant to the Merger Agreement, and as discussed in Note 2, each outstanding share of Northwest common stock (including shares issuable pursuant to Northwest's Plan of Reorganization) was converted into the right to receive 1.25 shares of Delta common stock. As of February 12, 2010, five million shares of Delta common stock were reserved for issuance in exchange for shares of Northwest common stock that, but for the Merger, would have been issued under Northwest's Plan of Reorganization.

The Delta Debtors and the Northwest Debtors will continue to settle claims and file objections with the bankruptcy courts regarding claims. In light of the substantial number and amount of claims filed, we expect the claims resolution process will take additional time to complete. We believe there will be no further material impact to the Consolidated Statements of Operations from the settlement of claims because the holders of such claims will receive under Delta's and Northwest's Plan of Reorganization, as the case may be, only their pro rata share of the distributions of common stock contemplated by the applicable Plan of Reorganization.

Reorganization Items, net

The following table summarizes the components of reorganization items, net on our Consolidated Statement of Operations for the four months ended April 30, 2007:

(in millions)	Predecessor Four Months Ended April 30, 2007
Discharge of claims and liabilities [(1)]	$ 4,424
Revaluation of frequent flyer obligation [(2)]	(2,586)
Revaluation of other assets and liabilities [(3)]	238
Aircraft financing renegotiations, rejections and repossessions [(4)]	(440)
Contract carrier agreements [(5)]	(163)
Emergence compensation [(6)]	(162)
Professional fees	(88)
Pilot collective bargaining agreement [(7)]	(83)
Interest income [(8)]	50
Facility leases [(9)]	43
Vendor waived pre-petition debt	29
Retiree healthcare claims [(10)]	(26)
Other	(21)
Total reorganization items, net	$ 1,215

(1) The discharge of claims and liabilities primarily relates to allowed general, unsecured claims in our Chapter 11 proceedings, such as (a) the Air Line Pilots Association, International's ("ALPA") claim under our comprehensive agreement reducing pilot labor costs; (b) the Pension Benefit Guaranty Corporation's (the "PBGC") claim relating to the termination of the Delta Pilot Plan; (c) claims relating to changes in postretirement healthcare benefits and the rejection of our non-qualified retirement plans; (d) claims associated with debt and certain municipal bond obligations based upon their rejection; (e) claims relating to the restructuring of financing arrangements or the rejection of leases for aircraft; and (f) other claims due to the rejection or modification of certain executory contracts, unexpired leases and contract carrier agreements.

In accordance with Delta's Plan of Reorganization, we discharged our obligations to holders of allowed general, unsecured claims in exchange for the distribution of 386 million newly issued shares of common stock and the issuance of certain debt securities and obligations. Accordingly, in discharging our liabilities subject to compromise, we recognized a reorganization gain of $4.4 billion as follows:

(in millions)	
Liabilities subject to compromise	$19,345
Reorganization value	(9,400)
Liabilities reinstated	(4,429)
Issuance of new debt securities and obligations, net of discounts of $22	(938)
Other	(154)
Discharge of claims and liabilities	$ 4,424

(2) We revalued our SkyMiles frequent flyer obligation at fair value as a result of fresh start reporting, which resulted in a $2.6 billion reorganization charge.

(3) We revalued our assets and liabilities at estimated fair value as a result of fresh start reporting. This resulted in a $238 million gain, primarily reflecting the fair value of newly recognized intangible assets, which was partially offset by reductions in the fair value of tangible property and equipment.

(4) Estimated claims for the four months ended April 30, 2007 relate to the restructuring of the financing arrangements for 143 aircraft, the rejection of two aircraft leases and adjustments to prior claims estimates.

(5) In connection with amendments to our Contract Carrier agreements with Chautauqua and Shuttle America, both subsidiaries of Republic Airways Holdings, Inc. ("Republic Holdings"), which, among other things, reduced the rates we pay those carriers, we recorded (a) a $91 million allowed general, unsecured claim and (b) a $37 million net charge related to our surrender of warrants to purchase up to 3.5 million shares of Republic Holdings common stock. Additionally, in connection with an amendment to our Contract Carrier agreement with Freedom, a subsidiary of Mesa, which, among other things, reduced the rates we pay that carrier, we recorded a $35 million allowed general, unsecured claim.

(6) In accordance with Delta's Plan of Reorganization, we made $130 million in lump-sum cash payments to approximately 39,000 eligible non-contract, non-management employees. We also recorded an additional charge of $32 million related to our portion of payroll related taxes associated with the issuance, as contemplated by Delta's Plan of Reorganization, of approximately 14 million shares of common stock to these employees.

(7) Allowed general, unsecured claims of $83 million for the four months ended April 30, 2007 in connection with the comprehensive agreements of Comair with ALPA reducing pilot labor costs.

(8) Reflects interest earned due to the preservation of cash during our Chapter 11 proceedings.

(9) For the four months ended April 30, 2007, we recorded a net $43 million gain, primarily reflecting a $126 million net gain in connection with our settlement agreement with the Massachusetts Port Authority, which was partially offset by a net $80 million charge from an allowed general, unsecured claim in connection with our settlement agreement with the Kenton County Airport Board (the “Cincinnati Airport Settlement Agreement”).

(10) Allowed general, unsecured claims in connection with agreements reached with committees representing pilot and non-pilot retired employees reducing their postretirement healthcare benefits.

Fresh Start Consolidated Balance Sheet

Upon emergence from Chapter 11, we adopted fresh start reporting, which required us to revalue our assets and liabilities to fair value. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accordingly, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability.

To facilitate the calculation of the reorganization value of the Successor, management developed financial projections for the Successor using a number of estimates and assumptions. The reorganization value of the Successor was primarily based on financial projections using various valuation methods, including (1) a comparison of our projected performance to the market values of comparable companies and (2) a calculation of the present value of future cash flows based on our projections. Utilizing these methodologies, the reorganization value of the Successor was estimated to be in the range of $9.4 billion and $12.0 billion. The reorganization value was dependent upon achieving the future financial results set forth in our projections, as well as the realization of certain other assumptions. There can be no assurance the projections will be achieved or the assumptions will be realized. The excess reorganization value (using the low end of the range) over the fair value of tangible and identifiable intangible assets, net of liabilities, was reflected as goodwill in the Fresh Start Consolidated Balance Sheet. The financial projections and estimates of reorganization value are not incorporated in this Form 10-K.

The methodologies used to calculate reorganization value primarily include (1) a 60% weighting towards a discounted cash flow (“DCF”) analysis, which measures the projected multi-year, free cash flows of the Successor to arrive at a reorganization value and (2) a 40% weighting towards a comparable company analysis based on financial ratios and multiples of comparable companies, which were then applied to our financial projections to arrive at a reorganization value.

DCF Analysis. The DCF calculations were performed for the period beginning May 1, 2007 through December 31, 2010 (“Projection Period”) discounted to April 30, 2007, the date Delta emerged from bankruptcy. The cash flow estimates include projected changes associated with our reorganization initiatives, anticipated changes in general market conditions and other factors. The DCF analysis includes assumptions for (1) the weighted average cost of capital, which is used to calculate the present value of future cash flows and (2) the terminal EBITDAR multiple, used to determine the value after the Projection Period. A range of discount rates from 12% to 14% was used, reflecting a number of company and market specific factors, as well as the cost of capital for comparable companies. The terminal EBITDAR multiple of 5.50x — 6.25x is consistent with the ranges used in the comparable company analysis.

Variations in the valuation assumptions could significantly affect the cash flow estimates. The assumptions for which there is a reasonable possibility of variation include, but are not limited to, assumptions regarding (1) revenues, (2) fuel costs, (3) achievement of cost reductions, (4) discount rates, (5) international expansion and (6) the overall condition of the U.S. and global airline industries.

Comparable Company Analysis. The comparable company analysis identified a group of companies with similar lines of business, business risk, growth prospects, maturity, market presence, size and scale of operations. Revenue and EBITDAR multiples were deemed to be the most relevant when analyzing the peer group. A range of valuation multiples was then identified and applied to our projections to determine an estimate of reorganization values. The multiple ranges used were 0.93x - 1.02x times 2007 estimated revenue of $18.5 billion and 5.50x - 6.25x times 2007 estimated EBITDAR of $2.9 billion.

All estimates, assumptions and financial projections, including the fair value adjustments, the financial projections and the reorganization value projections, are subject to significant uncertainties and the resolution of contingencies beyond our control. Accordingly, there can be no assurance the estimates, assumptions and financial projections will be realized, and actual results could vary materially.

The adjustments set forth in the following Fresh Start Consolidated Balance Sheet in the columns captioned “Debt Discharge, Reclassifications and Distribution to Creditors,” “Repayment of Debtor-in-Possession (“DIP”) Facility and New Exit Financing” and “Revaluation of Assets and Liabilities” reflect the effect of the consummation of the transactions contemplated by Delta’s Plan of Reorganization, including the settlement of various liabilities, securities issuances, incurrence of new indebtedness and cash payments.

Table of Contents

The effects of Delta's Plan of Reorganization and fresh start reporting on our Consolidated Balance Sheet at April 30, 2007 are as follows:

Fresh Start Consolidated Balance Sheet

(in millions)	Predecessor April 30, 2007	Debt Discharge, Reclassifications and Distribution to Creditors	Repayment of DIP Facility and New Exit Financing	Revaluation of Assets and Liabilities	Successor Reorganized Balance Sheet May 1, 2007
CURRENT ASSETS					
Cash, cash equivalents and short-term investments	$ 2,915	$ —	$ (557)	$ —	$ 2,358
Restricted cash	1,069	—	—	—	1,069
Accounts receivable, net	1,086	—	—	—	1,086
Expendable parts and supplies inventories, net	183	—	—	58	241
Deferred income taxes, net	441	—	—	310	751
Prepaid expenses and other	437	(19)	—	(75)	343
Total current assets	6,131	(19)	(557)	293	5,848
PROPERTY AND EQUIPMENT					
Net flight equipment and net flight equipment under capital lease	11,087	—	—	(1,245)	9,842
Other property and equipment, net	1,498	—	—	218	1,716
Total property and equipment, net	12,585	—	—	(1,027)	11,558
OTHER ASSETS					
Goodwill	227	—	—	12,100	12,327
Intangibles, net	88	—	—	2,865	2,953
Other noncurrent assets	740	—	48	68	856
Total other assets	1,055	—	48	15,033	16,136
Total assets	$ 19,771	$ (19)	$ (509)	$ 14,299	$ 33,542
CURRENT LIABILITIES					
Current maturities of long-term debt and capital leases	$ 1,292	$ 5	$ —	$ 35	$ 1,332
DIP Facility	1,959	—	(1,959)	—	—
Accounts payable, accrued salaries and related benefits	1,396	561	(50)	155	2,062
SkyMiles deferred revenue	602	—		620	1,222
Air traffic liability	2,567	—	—	—	2,567
Taxes payable	423	—	—	(2)	421
Total current liabilities	8,239	566	(2,009)	808	7,604
NONCURRENT LIABILITIES					
Long-term debt and capital leases	5,132	37	—	398	5,567
Exit Facilities	—	—	1,500	—	1,500
SkyMiles deferred revenue	294	—	—	1,958	2,252
Other notes payable	—	697	—	—	697
Pension, postretirement and related benefits	62	4,202	—	7	4,271
Other	1,026	—	—	1,225	2,251
Total noncurrent liabilities	6,514	4,936	1,500	3,588	16,538
Liabilities subject to compromise	19,345	(19,345)	—	—	—
STOCKHOLDERS' (DEFICIT) EQUITY					
Delta Debtors					
Common stock and additional paid-in capital	1,563	—	—	(1,563)	—
Retained deficit and other	(15,890)	4,424	—	11,466	—
Reorganized Delta Debtors					
Common stock and additional paid-in capital	—	9,400	—	—	9,400
Total liabilities and stockholders' (deficit) equity	$ 19,771	$ (19)	$ (509)	$ 14,299	$ 33,542

- *Debt Discharge, Reclassifications and Distribution to Creditors* . Adjustments reflect the elimination of liabilities subject to compromise totaling $19.3 billion on our Consolidated Balance Sheet immediately prior to the Effective Date. Excluding certain liabilities assumed by the Successor, liabilities subject to compromise of $13.8 billion were discharged in the Chapter 11 cases. Adjustments include:

  (a) The recognition or reinstatement of $561 million to accounts payable, accrued salaries and related benefits comprised of (1) a $225 million obligation to the PBGC relating to the termination of the Delta Pilot Plan (which is reflected on the Consolidated Balance Sheet net of a $3 million discount) and (2) $339 million to reinstate or accrue certain liabilities related to the current portion of our pension and postretirement benefit plans and for certain administrative claims and cure costs.

  (b) The recognition of $697 million in other notes payable comprised of (1) a $650 million obligation relating to our comprehensive agreement with ALPA reducing pilot labor costs (which is reflected on the Consolidated Balance Sheet net of a $19 million discount) and (2) $66 million principal amount of senior unsecured notes (following the reduction of the $85 million face value of the notes for the application of certain payments made by us in 2006 and 2007) under the Cincinnati Airport Settlement Agreement.

  (c) The reinstatement of $4.2 billion to pension, postretirement and related benefits comprised of (1) $3.2 billion associated with the Delta Non-Pilot Plan and other long-term accrued benefits and (2) $1.0 billion associated with postretirement benefits.

- *Repayment of DIP Facility and New Exit Financing* . Adjustments reflect the repayment of the DIP Facility and borrowing under the Exit Facilities. Financing fees related to (1) the DIP Facility were written off at the Effective Date and (2) fees related to the Exit Facilities were capitalized and will be amortized over the term of the facility.

- *Revaluation of Assets and Liabilities* . Significant adjustments reflected in the Fresh Start Consolidated Balance Sheet based on the revaluation of assets and liabilities are summarized as follows:

  (a) *Property and equipment, net* . A net adjustment of $1.0 billion to reduce the net book value of fixed assets to their estimated fair value.

  (b) *Goodwill* . An adjustment of $12.1 billion to reflect reorganization value of the Successor in excess of the fair value of tangible and identifiable intangible assets, net of liabilities. During 2007, goodwill decreased by $149 million as a result of net adjustments in the fair value of certain assets and liabilities. These adjustments were recorded on the Successor’s opening balance sheet at May 1, 2007.

  (c) *Intangibles* . An adjustment of $2.9 billion to recognize identifiable intangible assets. These intangible assets reflect the estimated fair value of our trade name, takeoff and arrival slots, SkyTeam alliance agreements, marketing agreements, customer relationships and certain contracts. Certain of these assets will be subject to an annual impairment review.

  (d) *Long-term debt and capital leases* . An adjustment of $398 million primarily to reflect a $223 million net premium associated with long-term debt and a $138 million net premium associated with capital lease obligations to be amortized to interest expense over the life of such debt and capital lease obligations.

  (e) *SkyMiles deferred revenue* . An adjustment to revalue our obligation under the SkyMiles Program to reflect the estimated fair value of miles to be redeemed in the future. Adjustments of $620 million and $2.0 billion were reflected for the fair value of these miles in current and long-term classifications, respectively. Effective with our emergence from bankruptcy, we changed our accounting policy from an incremental cost basis to a deferred revenue model for miles earned through travel. The fair value of our SkyMiles frequent flyer award liability was determined based on the estimated price that third parties would require us to pay for them to assume the obligation for miles expected to be redeemed under the SkyMiles Program. This estimated price was determined based on the weighted-average equivalent ticket value of a SkyMiles award redeemed for travel on Delta or a participating airline. The weighted-average equivalent ticket value contemplates differing classes of service, domestic and international itineraries and the carrier providing the award travel. At April 30, 2007, we recorded deferred revenue equal to $0.0083 for each mile we estimate will ultimately be redeemed under the SkyMiles Program.

(f) *Noncurrent liabilities—other* . An adjustment of $1.2 billion primarily related to the tax effect of fresh start valuation adjustments.

(g) *Total stockholders' deficit* . The adoption of fresh start reporting resulted in a new reporting entity with no beginning retained earnings or accumulated deficit. All common stock of the Predecessor was eliminated and replaced by the new equity structure of the Successor based on Delta's Plan of Reorganization. The Fresh Start Consolidated Balance Sheet reflects initial stockholders' equity value of $9.4 billion, representing the low end in the range of $9.4 billion to $12.0 billion estimated in our financial projections developed in connection with Delta's Plan of Reorganization. The low end of the range is estimated to reflect market conditions as of the Effective Date and therefore was used to establish initial stockholders' equity value.

NOTE 12. EQUITY AND EQUITY-BASED COMPENSATION

Equity

Common Stock. On the Effective Date, all common stock issued by the Predecessor was cancelled. We began issuing shares of new common stock at emergence from bankruptcy pursuant to Delta's Plan of Reorganization. The new common stock is subject to the terms of our Amended and Restated Certificate of Incorporation (the "New Certificate"), which supersedes the Certificate of Incorporation in effect prior to the Effective Date.

The New Certificate authorizes us to issue a total of 2.0 billion shares of capital stock, of which 1.5 billion may be shares of common stock, par value $0.0001 per share, and 500 million may be shares of preferred stock. Delta's Plan of Reorganization contemplates the issuance of 400 million shares of common stock, consisting of 386 million shares to holders of allowed general, unsecured claims and up to 14 million shares to approximately 39,000 non-contract, non-management employees under the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the "2007 Plan"). Our Plan of Reorganization also contemplates the issuance of common stock under the 2007 Plan for management employees.

In connection with the Merger, we issued, or expect to issue, a total of 339 million shares of Delta common stock in exchange for the Northwest common stock outstanding on the Closing Date or issuable under Northwest's Plan of Reorganization. Additionally, in connection with the Merger, we (1) issued 50 million shares of common stock to eligible Delta and Northwest pilots; (2) granted 34 million shares of common stock to substantially all U.S. based non-pilot employees of Delta and Northwest; and (3) granted 17 million shares of restricted stock and non-qualified stock options to purchase 12 million shares of common stock to management personnel. The awards to management personnel will fully vest over approximately three years, subject to the participant's continued employment.

Preferred Stock. The New Certificate permits us to issue preferred stock in one or more series. It authorizes the Board of Directors (1) to fix the descriptions, powers (including voting powers), preferences, rights, qualifications, limitations and restrictions with respect to any series of preferred stock and (2) to specify the number of shares of any series of preferred stock. As of December 31, 2009 and 2008, no preferred stock had been issued.

Treasury Stock. We generally withhold shares of Delta common stock to cover employees' portion of required tax withholdings when employee equity awards are issued or vest. These shares are valued at cost, which equals the market price of the common stock on the date of issuance or vesting. There were approximately 11 million shares of common stock held in treasury at a weighted average cost of $15.89 per share at December 31, 2009. In December 2008, we sold from treasury approximately 18 million shares of our common stock that were previously withheld as the employee portion of tax withholdings on the issuance and vesting of employee equity awards in connection with the Merger. The $192 million of net proceeds from the offering was available for general corporate purposes. There were approximately eight million shares of common stock held in treasury at a weighted average cost of $20.11 per share at December 31, 2008. Substantially all of these shares were withheld to cover the employees' portion of required tax withholdings on equity awards.

Equity-Based Compensation

Successor

Upon emergence from Chapter 11, we adopted with Bankruptcy Court approval the 2007 Plan, a broad based equity and cash compensation plan. The 2007 Plan provides for grants of restricted stock, stock options, stock appreciation rights, restricted stock units, performance awards, including cash incentive awards, and other stock based awards. Shares of common stock issued under the 2007 Plan may be made available from authorized but unissued common stock or common stock we acquire. If any shares of our common stock are covered by an award that is cancelled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of the exercise price of an award or taxes related to an award), then such shares will again be available for issuance under the 2007 Plan.

In connection with the Merger, we amended the 2007 Plan with stockholder approval to increase the number of shares of Delta common stock issuable under the plan from 30 million to 157 million. The purpose of this amendment was to permit Delta to grant equity to substantially all employees of the combined company in connection with the Merger. There were 35 million shares available for future grants under the 2007 Plan as of December 31, 2009.

Non-cash compensation expense for equity awards is recognized over the employee's requisite service period (generally, the vesting period of the award). We use straight-line recognition for awards with installment vesting. During the years ended December 31, 2009 and 2008, we recognized expense associated with restricted stock, stock option, and performance share grants of $108 million and $66 million in salaries and related costs, respectively. The closing of the Merger constituted a change in control under the 2007 Plan, which caused the vesting of substantially all previously unvested equity awards and resulted in the recording of an additional $75 million in 2008 in expense to restructuring and merger-related items. These expenses do not represent cash payments actually made to employees; rather it represents non-cash compensation expense recognition. The actual value of these awards to the recipients depends on the price of Delta common stock when the awards vest.

As of December 31, 2009, approximately $109 million of total unrecognized costs related to unvested shares and options are expected to be recognized over the remaining weighted-average period of 0.9 years. Approximately $69 million is expected to be recognized in 2010.

Stock Grants. In connection with the Merger, we granted equity to substantially all employees of Delta and Northwest. U.S. based non-pilot, non-management employees received 34 million shares of common stock. Pilot employees received 50 million shares of common stock. The fair value of these grants was based on the closing price of the common stock on the date of grant and resulted in a $791 million charge in restructuring and merger-related items. In 2007, upon emergence from Chapter 11, we issued 14 million shares of common stock to non-contract, non-management employees. Employees may hold or sell these shares without restriction.

Merger Awards. In connection with the Merger, we made grants of restricted stock and stock options to approximately 700 management level employees under the 2007 Plan. As discussed below, these grants vest over three years, subject to the employee's continued employment.

Restricted Stock . Restricted stock is common stock that may not be sold or otherwise transferred for a period of time and that is subject to forfeiture in certain circumstances. The fair value of the restricted stock awards is based on the closing price of the common stock on the date of grant. In connection with the Merger, we granted 17 million shares of restricted stock, which, subject to the employee's continued employment, vest over three years in four installments (20% on May 1, 2009, 20% on November 1, 2009, 20% on May 1, 2010, and 40% on November 1, 2011). Upon emergence from Chapter 11, we granted eight million shares of restricted stock to eligible employees. Substantially all of these awards, to the extent not previously vested, vested upon the closing of the Merger. We expect substantially all unvested restricted stock awards at December 31, 2009 to vest during the vesting period.

The following table summarizes restricted stock activity for the year ended December 31, 2009:

	Shares (000)	Weighted Average Grant Date Fair Value
Unvested at January 1, 2009	17,650	$ 8.11
Granted	3,695	6.71
Vested	(8,363)	8.09
Forfeited	(459)	7.62
Unvested at December 31, 2009	12,523	$ 7.73

The total fair value of shares vested during the years ended December 31, 2009 and 2008 was $68 million and $107 million, respectively.

Stock Options. Stock option awards are granted with an exercise price equal to the closing price of Delta common stock on the date of grant. Generally, outstanding employee options vest over several years and have a 10-year term, subject to the employee's continued employment.

The fair value of stock options is determined at the grant date using an option pricing model based on several assumptions. The risk-free rate is based on the U.S. Treasury yield in effect for the expected term of the options at the time of grant. The dividend yield on our common stock is assumed to be zero since we do not pay dividends and have no current plans to do so. The expected life of the options was developed assuming that the options will be exercised evenly from the time they become exercisable to expiration due to the lack of exercise history. We base our volatility assumptions on historical volatilities of the stock of comparable publicly-traded airlines, using daily stock price returns equal to our expected option lives. We have used this volatility assumption due to the lack of trading history of Delta common stock since emergence from Chapter 11.

We granted stock options to purchase 12 million shares of common stock in connection with the Merger. These options become exercisable in four installments (20% on May 1, 2009, 20% on November 1, 2009, 20% on May 1, 2010, and 40% on November 1, 2011), subject to the employee's continued employment. We granted options to purchase four million shares of common stock to eligible employees upon emergence from Chapter 11. Substantially all of these awards, to the extent not previously exercisable, became exercisable upon the closing of the Merger. Pursuant to the Merger Agreement, outstanding stock options under the Northwest 2007 Stock Incentive Plan were assumed by Delta and modified to provide for the purchase of Delta common stock. Accordingly, the number of shares and the exercise price were adjusted for the 1.25 exchange ratio. We have not granted any stock options subsequent to those granted in 2008 in connection with the Merger.

The weighted average fair value of options granted in 2008 was determined based on the following assumptions:

Risk-free interest rate	2.6-3.4%
Expected life of stock options (in years)	5.6-6.0
Expected volatility of common stock	63-79%

The following table summarizes stock option activity for the year ended December 31, 2009:

	Shares (000)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2009	23,544	$12.69		
Granted	—	—		
Exercised	(683)	8.01		
Forfeited or expired	(551)	15.12		
Outstanding at December 31, 2009	22,310	$12.79	6.6	$39
Vested or expected to vest	22,310	$12.79	6.6	$39
Exercisable at December 31, 2009	15,779	$14.71	5.7	$17

The weighted-average grant-date fair value of options granted during the year ended December 31, 2008 was $4.86.

Performance Shares. Performance shares are long-term incentive opportunities which are payable in common stock and are generally contingent upon our achieving certain financial goals. During 2008, we granted performance shares with an aggregate target payout opportunity covering approximately two million shares of common stock. The closing of the Merger caused the vesting at target of substantially all previously unvested performance shares.

Other. There was no corresponding tax benefit in 2009, 2008 or 2007 related to the stock-based compensation, as we record a full valuation allowance against our deferred tax assets due to the uncertainty regarding the ultimate realization of those assets. For additional information, see Note 9.

NOTE 13. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following table shows the components of accumulated other comprehensive (loss) income for the four months ended April 30, 2007, the eight months ended December 31, 2007 and the years ended December 31, 2008 and 2009:

(in millions)	Unrecognized Pension Liability	Derivative Instruments	Marketable Equity Securities	Valuation Allowance	Total
Balance at January 1, 2007 (Predecessor)	$ (727)	$ (23)	$ 2	$ 230	$ (518)
Pension adjustment	6	—	—	—	6
Changes in fair value	—	61	—	—	61
Reclassification to earnings	—	8	—	—	8
Balance at April 30, 2007 (Predecessor)	(721)	46	2	230	(443)
Elimination of Predecessor other comprehensive loss	721	(46)	(2)	(230)	443
Pension adjustment	408	—	—	—	408
Changes in fair value	—	86	—	—	86
Reclassification to earnings	—	(59)	—	—	(59)
Tax effect	(155)	(11)	—	166	—
Balance at December 31, 2007 (Successor)	253	16	—	166	435
Pension adjustment	(3,111)	—	—	—	(3,111)
Changes in fair value	—	(1,369)	(9)	—	(1,378)
Reclassification to earnings	—	(26)	—	—	(26)
Tax effect	1,162	516	3	(1,681)	—
Balance at December 31, 2008 (Successor)	(1,696)	(863)	(6)	(1,515)	(4,080)
Pension adjustment	(502)	—	—	—	(502)
Changes in fair value	—	(20)	10	—	(10)
Reclassification to earnings	—	1,350	—	—	1,350
Income Tax Allocation	—	(321)	—	—	(321)
Tax effect	186	(491)	(3)	308	—
Balance at December 31, 2009 (Successor)	$(2,012)	$ (345)	$ 1	$(1,207)	$(3,563)

NOTE 14. GEOGRAPHIC INFORMATION

Operating segments are defined as components of an enterprise with separate financial information, which are evaluated regularly by the chief operating decision maker and are used in resource allocation and performance assessments.

We are managed as a single business unit that provides air transportation for passengers and cargo. This allows us to benefit from an integrated revenue pricing and route network. Our flight equipment forms one fleet, which is deployed through a single route scheduling system. When making resource allocation decisions, our chief operating decision maker evaluates flight profitability data, which considers aircraft type and route economics, but gives no weight to the financial impact of the resource allocation decision on an individual carrier basis. Our objective in making resource allocation decisions is to optimize our consolidated financial results.

Operating revenue is assigned to a specific geographic region based on the origin, flight path and destination of each flight segment. Our operating revenue by geographic region for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007 are summarized in the following table:

	Successor			Predecessor
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,
(in millions)	2009	2008	2007	2007
Domestic	$19,171	$15,065	$9,380	$4,314
Atlantic	4,970	5,149	2,884	947
Latin America	1,437	1,616	923	478
Pacific	2,485	867	171	57
Total	$28,063	$22,697	$13,358	$5,796

Our tangible assets consist primarily of flight equipment, which is mobile across geographic markets. Accordingly, assets are not allocated to specific geographic regions.

NOTE 15. RESTRUCTURING AND MERGER-RELATED ITEMS

The following table shows charges recorded in restructuring and merger-related items on our Consolidated Statements of Operations for the years ended December 31, 2009 and 2008:

	Year Ended December 31,	
(in millions)	2009	2008
Severance and related costs	$119	$114
Contract Carrier restructuring	—	14
Facilities and other	13	25
Merger-related items	275	978
Total restructuring and merger-related items	$407	$1,131

Severance and related costs primarily relate to voluntary workforce reduction programs for U.S. employees. In 2009, we recorded $119 million associated with workforce reduction programs, including $6 million of special termination benefits related to retiree healthcare. We expect any additional charges incurred under these programs will not be material. In 2008, we recorded $114 million associated with workforce reduction programs.

Contract Carrier restructuring costs relate primarily to the early termination of certain capacity purchase agreements with our Contract Carriers.

Facilities and other costs primarily relate to the closing operations in airports. In 2008, the costs primarily relate to the closing of operations in Concourse C at the Cincinnati/Northern Kentucky International Airport. Upon our exit from Concourse C, we recorded a one-time charge of $18 million based on the estimated present value of future rents.

Merger-related items relate to costs associated with integrating the operations of Northwest into Delta, including costs related to information technology, employee relocation and training, and re-branding of aircraft and stations.

We did not have any restructuring and merger-related items in 2007.

The following table shows the balances for restructuring charges as of December 31, 2009, and the activity for the year then ended:

(in millions)	Liability Balance at December 31, 2008	Additional Costs and Expenses	Purchase Accounting Adjustments	Payments	Liability Balance at December 31, 2009
Severance and related costs [1]	$ 50	$113	$—	$ (94)	$ 69
Facilities and other [1]	54	13	19	(12)	74
Total	$104	$126	$19	$(106)	$143

(1) The liability balance at December 31, 2008 includes liabilities assumed in the Merger of $47 million in severance and related costs and $32 million in restructuring of facility leases and other charges.

We acquired a B-747-200F dedicated cargo freighter fleet in our Merger with Northwest and recorded the fair value of the fleet at the Closing Date. We grounded the entire fleet by December 31, 2009 due to its age and inefficiency. We reviewed the fleet and related spare engines for impairment during the year ended December 31, 2009 and concluded that no material impairment existed.

NOTE 16. (LOSS) EARNINGS PER SHARE

We calculate basic (loss) earnings per share by dividing the net (loss) income by the weighted average number of common shares outstanding. Shares issuable upon the satisfaction of certain conditions are considered outstanding and included in the computation of basic (loss) earnings per share. Accordingly, the calculation of basic (loss) earnings per share for the years ended December 31, 2009 and 2008 and the eight months ended December 31, 2007 assumes there was outstanding at the beginning of each of these periods all 386 million shares contemplated by Delta's Plan of Reorganization to be distributed to holders of allowed general, unsecured claims. Similarly, the calculation of basic loss per share for the years ended December 31, 2009 and 2008 assumes there was outstanding at January 1, 2009 and the Closing Date, respectively, the following shares in connection with the Merger: (1) 50 million shares of Delta common stock we agreed to issue on behalf of Delta and Northwest pilots and (2) nine million shares of Delta common stock reserved for issuance in exchange for shares of Northwest common stock that, but for the Merger, would have been issued under Northwest's Plan of Reorganization.

The following table shows the reconciliation of actual shares issued and outstanding to those considered outstanding for purposes of the calculation of basic loss per share as of December 31, 2009:

(in millions)	**Shares [1]**
Common stock issued and outstanding	784
Less:	
Unvested restricted stock	(13)
Add:	
Shares reserved for future issuance under Delta's Plan of Reorganization	53
Shares reserved for future issuance relating to Northwest's Plan of Reorganization, after giving effect to the 1.25 exchange ratio	6
Common stock considered outstanding for purposes of loss per share calculation	830

(1) These shares have not been weighted to reflect the period of time they were considered outstanding.

The following table shows our computation of basic and diluted (loss) earnings per share for the years ended December 31, 2009 and 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007:

	Successor			Predecessor
	Year Ended December 31,		Eight Months Ended December 31,	Four Months Ended April 30,
(in millions, except per share data)	2009	2008	2007	2007
Basic:				
Net (loss) income	$(1,237)	$(8,922)	$ 314	$1,298
Basic weighted average shares outstanding	827	468	394	197
Basic (loss) earnings per share	$ (1.50)	$(19.08)	$0.80	$ 6.58
Diluted:				
Net (loss) income	$(1,237)	$(8,922)	$ 314	$1,298
Gain recognized on the forgiveness of convertible debt	—	—	—	(216)
Net (loss) income assuming conversion	$(1,237)	$(8,922)	$ 314	$1,082
Basic weighted average shares outstanding	827	468	394	197
Dilutive effects of:				
Restricted shares	—	—	1	—
Convertible debt	—	—	—	37
Weighted average shares outstanding, as adjusted	827(1)	468(2)	395(3)	234(4)
Dilutive (loss) earnings per share	$ (1.50)	$(19.08)	$0.79	$ 4.63

(1) Excludes 35 million common stock equivalents because their effect was anti-dilutive.

(2) Excludes 41 million common stock equivalents because their effect was anti-dilutive.

(3) Excludes nine million common stock equivalents because their effect was anti-dilutive.

(4) Upon emergence from bankruptcy, we discharged our liabilities subject to compromise, which included convertible debt. As a result, we recognized a gain of $216 million for the four months ended April 30, 2007. In connection with this discharge, 37 million shares of common stock were assumed issued for purposes of calculating diluted earnings per share.

NOTE 17. VALUATION AND QUALIFYING ACCOUNTS

The following table shows our valuation and qualifying accounts for the four months ended April 30, 2007, the eight months ended December 31, 2007 and the years ended December 31, 2008 and 2009, and the associated activity for the years then ended:

	Allowance for:			
(in millions)	Restructuring and Other Charges [1]	Uncollectible Accounts Receivable [2]	Obsolescence of Expendable Parts & Supplies Inventory	Valuation Allowance
Balance at January 1, 2007 (Predecessor)	$ 5	$ 21	$ 161	$ 5,169[3]
Additional costs and expenses	1	5	13	1,092
Payments and deductions	(2)	(5)	(43)	(1,201)
Balance at April 30, 2007 (Predecessor)	4	21	131	5,060[3]
Valuation adjustment	—	—	(131)	(230)
Additional costs and expenses	—	15	11	669
Payments and deductions	(1)	(10)	—	(656)
Balance at December 31, 2007 (Successor)	3	26	11	4,843[4]
Liabilities assumed from Northwest	—	6	—	3,389
Purchase accounting adjustments	94	—	—	184
Additional costs and expenses	153	31	23	1,866
Payments and deductions	(146)	(21)	(2)	(452)
Balance at December 31, 2008 (Successor)	104	42	32	9,830[5]
Purchase accounting adjustments	19	—	14	—
Additional costs and expenses	126	23	34	343
Payments and deductions	(106)	(18)	(5)	(276)
Balance at December 31, 2009 (Successor)	$ 143	$ 47	$ 75	$ 9,897[6]

(1) Primarily related to severance and related costs, restructuring of facility leases and other charges.

(2) The payments and deductions related to the allowance for uncollectible accounts receivable represent the write-off of accounts considered to be uncollectible, less recoveries.

(3) $230 million of this amount is recorded in accumulated other comprehensive loss on our Consolidated Balance Sheet at January 1, 2007 and our Fresh Start Consolidated Balance Sheet at April 30, 2007.

(4) $166 million of this amount is recorded in accumulated other comprehensive income on our Consolidated Balance Sheet at December 31, 2007. This balance reflects a $230 million write-off recorded upon the adoption of fresh start reporting to eliminate the Predecessor's accumulated other comprehensive loss.

(5) $1.5 billion of this amount is recorded in accumulated other comprehensive loss on our Consolidated Balance Sheet at December 31, 2008.

(6) $1.2 billion of this amount is recorded in accumulated other comprehensive loss on our Consolidated Balance Sheet at December 31, 2009.

NOTE 18. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes our unaudited results of operations for the 2009 and 2008 quarterly periods. The quarterly loss per share amounts for a year will not add to the loss per share for that year due to the weighting of shares used in calculating per share data.

2009 (in millions, except per share data)	Three Months Ended March 31	 June 30	 September 30	 December 31 (3)
Operating revenue	$ 6,684	$ 7,000	$ 7,574	$ 6,805
Operating (loss) income	(483)	1	204	(46)
Net loss	(794)	(257)	(161)	(25)
Basic and diluted loss per share	(0.96)	(0.31)	(0.19)	(0.03)

2008 (in millions, except per share data)	Three Months Ended March 31 (1)	 June 30 (1)	 September 30	 December 31 (2)
Operating revenue	$ 4,766	$ 5,499	$ 5,719	$ 6,713
Operating (loss) income	(6,261)	(1,087)	131	(1,097)
Net loss	(6,390)	(1,044)	(50)	(1,438)
Basic and diluted loss per share	(16.15)	(2.64)	(0.13)	(2.11)

(1) During the March 2008 quarter, we determined goodwill was impaired and recorded a non-cash charge of $6.1 billion based on a preliminary assessment. We finalized the impairment test during the June 2008 quarter and recorded an additional non-cash charge of $839 million. In the June 2008 quarter, we also recorded a non-cash charge of $357 million to reduce the carrying value of certain intangible assets based on their revised estimated fair values.

(2) Our results of operations for the December 2008 quarter include Northwest for the period from October 30 to December 31, 2008. In connection with the Merger, during the December 2008 quarter, we recorded a one-time primarily non-cash charge of $969 million relating to the issuance or vesting of employee equity awards in connection with the Merger.

(3) During the December 2009 quarter, as a result of the Income Tax Allocation, we recorded a non-cash income tax benefit of $321 million on the loss from continuing operations, with an offsetting non-cash income tax expense of $321 million on other comprehensive income.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to effectively identify and timely disclose important information. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of December 31, 2009 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control

Except as set forth below, during the three months ended December 31, 2009, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

On October 29, 2008, a wholly-owned subsidiary of ours merged with and into Northwest. On December 31, 2009, NWA merged with and into Delta, ending NWA's separate existence. We are currently integrating policies, processes, people, technology and operations for the combined company. Management will continue to evaluate our internal control over financial reporting as we execute Merger integration activities.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2009 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on that evaluation, management believes that our internal control over financial reporting was effective as of December 31, 2009.

The effectiveness of our internal control over financial reporting as of December 31, 2009 has been audited by Ernst & Young LLP, an independent registered public accounting firm, which also audited our Consolidated Financial Statements for the year ended December 31, 2009. Ernst & Young LLP's report on our internal control over financial reporting is set forth below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Delta Air Lines, Inc.

We have audited Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Delta Air Lines, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Delta Air Lines, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Delta Air Lines, Inc. as of December 31, 2009 (Successor) and 2008 (Successor), and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years ended December 31, 2009 (Successor) and 2008 (Successor), the eight-month period ended December 31, 2007 (Successor) and the four-month period ended April 30, 2007 (Predecessor) of Delta Air Lines, Inc. and our report dated February 24, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 24, 2010

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE REGISTRANT

Information required by this item is set forth under the headings “Corporate Governance Matters,” “Certain Information About Nominees” and “Section 16 Beneficial Ownership Reporting Compliance” in our Proxy Statement to be filed with the Commission related to our Annual Meeting of Stockholders (“Proxy Statement”), and is incorporated by reference. Pursuant to instruction 3 to paragraph (b) of Item 401 of Regulation S-K, certain information regarding executive officers is contained in Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is set forth under the headings “Director Compensation,” “Corporate Governance Matters—Compensation Committee Interlocks and Insider Participation” and “Executive Compensation” in our Proxy Statement and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information about the number of shares of common stock that may be issued under the 2007 Performance Plan, Delta’s only equity compensation plan, as of December 31, 2009.

Plan Category	(a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) No. of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (2)
Equity compensation plans approved by securities holders	15,184,907	$10.69	35,420,197
Equity compensation plans not approved by securities holders	—	—	—
Total	15,184,907	$10.69	35,420,197

(1) Includes stock options granted under Delta’s 2007 Performance Plan. The 2007 Performance Plan was approved by the Bankruptcy Court as part of our Plan of Reorganization. Accordingly, issuances under the 2007 Performance Plan are deemed to be approved by stockholders under Delaware General Corporation Law. In connection with the Merger, Delta stockholders approved an amendment to the 2007 Performance Plan to increase the number of shares of common stock issuable under the Plan.

(2) Up to 157 million shares of common stock are available for issuance under the 2007 Performance Plan. If any shares of our common stock are covered by an award under the 2007 Performance Plan that is cancelled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of the exercise price of an award or taxes related to an award), then such shares will again be available for issuance under the 2007 Performance Plan. In addition to the 15,184,907 options outstanding, 12,523,891 shares of restricted stock remain unvested and a maximum of 1,429,123 shares of common stock may be issued upon the achievement of certain performance conditions under outstanding performance share awards as of December 31, 2009.

Other information required by this item is set forth under the heading “Beneficial Ownership of Securities” in our Proxy Statement and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is set forth under the headings “Corporate Governance Matters—Corporate Governance Overview—Director Independence—Independence of Audit, Corporate Governance and Personnel & Compensation Committee Members,” “Executive Compensation—Post-Employment Compensation—Potential Post-Employment Benefits Upon Termination or Change in Control—Pre-Existing Medical Benefits Agreement Between Northwest and Mr. Anderson,” “Proposal 1—Election of Directors” and “Pre-Existing Agreements with Northwest” in our Proxy Statement and is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is set forth under the heading “Proposal 2—Ratification of Independent Auditors” in our Proxy Statement and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) (1). The following is an index of the financial statements required by this item that are included in this Form 10-K:

Report of Independent Registered Public Accounting Firm (Ernst & Young LLP)

Consolidated Balance Sheets—December 31, 2009 and 2008

Consolidated Statements of Operations for the years ended December 31, 2009 and December 31, 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007

Consolidated Statements of Cash Flows for the years ended December 31, 2009 and December 31, 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007

Consolidated Statements of Stockholders’ Equity (Deficit) for the years ended December 31, 2009 and December 31, 2008, the eight months ended December 31, 2007 and the four months ended April 30, 2007

Notes to the Consolidated Financial Statements

(2). The schedule required by this item is included in the Notes to the Consolidated Financial Statements. All other financial statement schedules are not required or are inapplicable and therefore have been omitted.

(3). The exhibits required by this item are listed in the Exhibit Index to this Form 10-K. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.9 through 10.26 in the Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 24th day of February, 2010.

DELTA AIR LINES, INC

By: /s/ Richard H. Anderson
Richard H. Anderson
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 24th day of February, 2010 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Richard H. Anderson Richard H. Anderson	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Hank Halter Hank Halter	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Edward H. Bastian Edward H. Bastian	President and Director
/s/ Roy J. Bostock Roy J. Bostock	Director
/s/ John S. Brinzo John S. Brinzo	Director
/s/ Daniel A. Carp Daniel A. Carp	Chairman of the Board
/s/ John M. Engler John M. Engler	Director
/s/ Mickey P. Foret Mickey P. Foret	Director
/s/ David R. Goode David R. Goode	Director
/s/ Paula Rosput Reynolds Paula Rosput Reynolds	Director
/s/ Kenneth C. Rogers Kenneth C. Rogers	Director
/s/ Rodney E. Slater Rodney E. Slater	Director
/s/ Douglas M. Steenland Douglas M. Steenland	Director
/s/ Kenneth B. Woodrow Kenneth B. Woodrow	Director

EXHIBIT INDEX

Note to Exhibits: Any representations and warranties of a party set forth in any agreement (including all exhibits and schedules thereto) filed with this Annual Report on Form 10-K have been made solely for the benefit of the other party to the agreement. Some of those representations and warranties were made only as of the date of the agreement or such other date as specified in the agreement, may be subject to a contractual standard of materiality different from what may be viewed as material to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. Such agreements are included with this filing only to provide investors with information regarding the terms of the agreements, and not to provide investors with any other factual or disclosure information regarding the registrant or its business.

3.1	Delta's Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007).*
3.2	Delta's By-Laws (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on May 22, 2008).*

Delta is not filing any instruments evidencing any indebtedness because the total amount of securities authorized under any single such instrument does not exceed 10% of the total assets of Delta and its subsidiaries on a consolidated basis. Copies of such instruments will be furnished to the Securities and Exchange Commission upon request.

10.1	Purchase Agreement No. 2022 between Boeing and Delta relating to Boeing Model 737-632/-732/-832 Aircraft (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*/**
10.2	Purchase Agreement No. 2025 between Boeing and Delta relating to Boeing Model 767-432ER Aircraft (Filed as Exhibit 10.4 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*/**
10.3	Letter Agreements related to Purchase Agreements No. 2022 and/or No. 2025 between Boeing and Delta (Filed as Exhibit 10.5 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*/**
10.4	Aircraft General Terms Agreement between Boeing and Delta (Filed as Exhibit 10.6 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*/**
10.5(a)	First Lien Revolving Credit and Guaranty Agreement, dated as of April 30, 2007, among Delta Air Lines, Inc., as Borrower, the subsidiaries of the Borrower named, as Guarantors, each of the Lenders from time to time party, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, J.P. Morgan Securities, Inc. and Lehman Brothers Inc., as co-lead arrangers and joint bookrunners, UBS Securities LLC, as syndication agent and as joint bookrunner, and Calyon New York Brand and RBS Securities Corporation, as co-documentation agents (Filed as Exhibit 10.1(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).*
10.5(b)	Second Lien Term Loan and Guaranty Agreement, dated as of April 30, 2007, among Delta Air Lines, Inc., as Borrower, the subsidiaries of the Borrower named, as Guarantors, each of the Lenders from time to time party, Goldman Sachs Credit Partners L.P. ("GSCP"), as administrative agent and as collateral agent, GSCP and Merrill Lynch Commercial Finance Corp., as co-lead arrangers and joint bookrunners, Barclays Capital, as syndication agent and as joint bookrunner, and Credit Suisse Securities (USA) LLC and C.I.T. Leasing Corporation, as co-documentation agents (Filed as Exhibit 10.1(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).*
10.6	Transaction Framework Agreement among Delta, Delta Master Executive Council, Northwest Master Executive Council and Air Line Pilots Association, International dated as of June 26, 2008 (Filed as Exhibit 10 to Delta's Quarterly Report on Form 10-Q filed on July 17, 2008).*
10.7	Letter Agreement, dated April 14, 2008, by an among Delta Air Lines, Inc., the Master Executive Council of Delta, and Air Line Pilots Association, International dated April 14, 2008 (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q filed on April 25, 2008).*

10.8(a)	Offer of Employment dated August 28, 2007 between Delta Air Lines, Inc. and Richard H. Anderson (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).*
10.8(b)	Benefit waiver agreement dated October 29, 2008 between Delta Air Lines, Inc. and Richard H. Anderson (Filed as Exhibit 10.11 (b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.8(c)	Benefit waiver agreement dated October 20, 2009 between Delta Air Lines, Inc. and Richard H. Anderson.
10.9(a)	Delta Air Lines, Inc. 2007 Performance Compensation Plan (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed on March 22, 2007).*
10.9(b)	First Amendment to the Delta Air Lines, Inc. 2007 Performance Compensation Plan (Filed as Exhibit 10.12(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.9(c)	Form of Delta 2007 Performance Compensation Plan Award Agreement for Officers (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed on April 30, 2007).*
10.9(d)	Delta 2007 Performance Compensation Plan Award Agreement between Delta Air Lines, Inc. and Edward H. Bastian dated August 28, 2007 (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).*
10.10(a)	Delta Air Lines, Inc. 2007 Officer and Director Severance Plan, as amended October 14, 2007 (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).*
10.10(b)	Form of Separation Agreement and General Release—Delta Air Lines, Inc. 2007 Officer and Director Severance Plan for Officers (Filed as Exhibit 10.2 to Delta's Current Report on Form 8-K filed on April 30, 2007).*
10.11(a)	Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of January 2, 2009, as further amended October 20, 2009.
10.11(b)	Amendment to the Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of January 2, 2009, as further amended October 20, 2009.
10.12	Description of Certain Benefits of Members of the Board of Directors and Executive Officers.
10.13(a)	The Delta Air Lines, Inc. 2008 Long Term Incentive Program (Filed as Exhibit 99.1 to Delta's Current Report on Form 8-K filed on February 8, 2008).*
10.13(b)	Model Award Agreement for the Delta Air Lines, Inc. 2008 Long Term Incentive Program (Filed as Exhibit 99.2 to Delta's Current Report on Form 8-K filed on February 8, 2008).*
10.14(a)	Delta Air Lines, Inc. 2009 Long Term Incentive Program (Filed as Exhibit 10.17(a) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.14(b)	Model Award Agreement for the Delta Air Lines, Inc. 2009 Long Term Incentive Program (Filed as Exhibit 10.17(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.15(a)	Delta Air Lines, Inc. 2010 Long Term Incentive Program.
10.15(b)	Model Award Agreement for the Delta Air Lines, Inc. 2010 Long Term Incentive Program.
10.16	Delta Air Lines, Inc. 2009 Management Incentive Program (Filed as Exhibit 10.19 to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.17	Delta Air Lines, Inc. 2010 Management Incentive Program.
10.18(a)	Delta Air Lines, Inc. Merger Award Program (Filed as Exhibit 10.20(a) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*

10.18(b)	Model Award Agreement for Delta Air Lines, Inc. Merger Award Program (Filed as Exhibit 10.20(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.19(a)	Management Compensation Agreement dated as of September 14, 2005 between Northwest Airlines, Inc. and Douglas M. Steenland (Filed as Exhibit 10.1 to Northwest's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005).*
10.19(b)	Retention Agreement and Amendment to Management Compensation Agreement dated as of April 14, 2008 between Northwest Airlines, Inc. and Douglas M. Steenland (Filed as Exhibit 10.13 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
10.20	Letter Agreement dated as of June 11, 2008 between counsel for and on behalf of Mickey P. Foret and Aviation Consultants, LLC, and counsel for and on behalf of Northwest Airlines, Inc. (Filed as Exhibit 10.22 to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
10.21(a)	Northwest Airlines, Inc. Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.28 to Northwest's Annual Report on Form 10-K for the year ended December 31, 2006).*
10.21(b)	First Amendment of Northwest Airlines Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.3 to Northwest's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005).*
10.21(c)	Third Amendment of Northwest Airlines Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.1 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
10.22(a)	2007 Stock Incentive Plan (Filed as Exhibit 99.2 to Northwest's Current Report on Form 8-K filed on May 29, 2007).*
10.22(b)	Amendment No. 1 to the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 10.2 to Northwest's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007).*
10.22(c)	Amendment No. 2 to the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 10.5 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
10.22(d)	Form of Award Agreement for Non-Qualified Stock Options Granted to Employees under the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 99.5 to Northwest's Current Report on Form 8-K filed on May 29, 2007).*
10.22(e)	Amendment No. 1 to Form of Award Agreement for Non-Qualified Stock Options Granted to Employees under the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 10.7 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
10.22(f)	Form of Award Agreement for Non-Qualified Stock Options Granted to Directors under the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 10.4 to Northwest's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007).*
10.22(g)	Amendment No. 1 to Form of Award Agreement for Non-Qualified Stock Options Granted to Directors under the Northwest Airlines Corporation 2007 Stock Incentive Plan (Filed as Exhibit 10.6 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
10.23	Form of Offer of Employment dated October 31, 2008 between Delta Air Lines, Inc. and Michael J. Becker and Richard B. Hirst, respectively (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).*
12.1	Statement regarding computation of ratio of earnings to fixed charges for each fiscal year in the five-year period ended December 31, 2009.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.

31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.

* Incorporated by reference.

** Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to requests for confidential treatment.

EXHIBIT 10.8(c)

Richard H. Anderson
Chief Executive Officer

October 20, 2009

Mr. David R. Goode
Chairman, Personnel & Compensation Committee
of the Board of Directors
Delta Air Lines, Inc.
World Headquarters
Atlanta, Georgia 30320

Dear David:

Today we decided to eliminate from all future awards clauses providing for payment of excise tax and related gross-up provisions imposed by Section 4999 of the Internal Revenue Code.

As you know, I do not have an employment agreement; however, I would like to waive all such provisions in my current Award Agreements as well as the Officer and Director Severance Plan. I realize that by taking this action, I am voluntarily giving up any protection from excise taxes I currently have in the event of a change in control. I also understand and agree that by so doing, I have not triggered the “Good Reason” clause in any Plan or Award Agreement.

Sincerely,

/s/ Richard H. Anderson

EXHIBIT 10.11(a)

DELTA AIR LINES, INC.
OFFICER AND DIRECTOR SEVERANCE PLAN
As Amended and Restated as of January 2, 2009
As Further Amended October 20, 2009

1. INTRODUCTION

Delta Air Lines, Inc. (the " **Company** " or " **Delta** ") adopted the 2007 Officer and Director Severance Plan (the " **Prior Plan** ") for eligible Officer and Director level employees of the Company. Delta hereby amends and restates the Prior Plan as the 2009 Delta Air Lines, Inc. Officer and Director Severance Plan (the " **2009 Plan** ") effective as of January 2, 2009. The Plan has been further amended as of October 20, 2009. Participants in the Prior Plan whose employment terminates on or prior to January 2, 2009 shall not be eligible for benefits under the 2009 Plan, but shall only be eligible for benefits under the Prior Plan, subject to any other separately granted contractual rights they may have. Except as provided in the previous sentence and as provided below with respect to certain Officers and Directors who were actively employed by Delta as of October 28, 2008, the terms of the Prior Plan shall no longer be in effect as of January 2, 2009.

Capitalized terms that are not otherwise defined in the text of this 2009 Plan are defined in Section 11 below.

2. PARTICIPATION

(a) General . Any employee of the Company who on or after January 2, 2009 is paid through the U.S. payroll and is classified as a full-time Director (a " **Director** ") or Officer (an " **Officer** ") of the Company according to the Company's Human Resources records (a " **Participant** ") is eligible to participate in this Plan in accordance with the terms described below. In addition, an officer or director of an Affiliate may be designated as a Participant by the Plan Administrator in his sole discretion if (i) the Affiliate does not offer a severance plan or program to its executive employees; or (ii) the officer or director is not eligible to participate in the severance plan or program the Affiliate does offer. In these circumstances, the Plan Administrator shall determine in his sole discretion the level at which the officer or director may participate in the 2009 Plan. For example, an employee of an Affiliate may be a Vice President of an Affiliate, but may be designated by the Plan Administrator to participate in the 2009 Plan at the Director level.

(b) Former Northwest Officers and Directors . Notwithstanding anything in the 2009 Plan to the contrary, any Officer or Director who (i) on October 28, 2008 was either (A) an officer of Northwest Airlines, Inc. or (B) a managing director, director or other employee of Northwest Airlines, Inc. who participated in the Northwest Airlines, Inc. Non-Officer Change of Control Severance Plan, and (ii) became an Officer or Director of Delta on or after October 29, 2008, shall not participate in the 2009 Plan until October 29, 2010 unless such person was a Senior Vice President or higher of Delta on October 29, 2008, in which case such person shall not participate in the 2009 Plan until October 29, 2011. After such dates, any such Officer or Director shall be eligible for all benefits hereunder.

(c) Pre Merger Officer or Director and Prior Plan Benefits . An Officer or Director employed by Delta as an officer or director on October 28, 2008 who was not advised by

Delta that his or her employment would be terminated on or before January 1, 2009 (a "Pre Merger Officer or Director") shall be eligible to receive benefits under the Prior Plan until October 29, 2010. During such time, a Pre Merger Officer or Director shall also be eligible for benefits under the 2009 Plan, but will not be eligible for duplicate benefits under both plans. After October 29, 2010, any Pre Merger Officer or Director who remains employed by Delta (or any Affiliate) as an Officer or Director shall be eligible for benefits under the 2009 Plan, but not the Prior Plan.

3. TERMINATION OF EMPLOYMENT AND ELIGIBILITY

(a) Severance Event . Subject to Section 2, a Participant shall be eligible to receive the benefits described in Section 4 if after January 2, 2009 he incurs a " **Severance Event** " which shall be defined as any of the following:

(i) the Participant's employment is terminated by Delta other than for Cause . If a Participant who is eligible for early, special early or normal retirement under the Company's retirement plan or policy is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2009 Plan rather than having retired, but only if the Participant acknowledges that, absent retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the 2009 Plan, the Participant's employment shall be considered to have been terminated by the Company for Cause;

(ii) the Participant (other than the Chief Executive Officer and the President of the Company as of October 29, 2008) (A) resigns from employment with Delta for Good Reason during the period beginning on a Change in Control Date and ending on the second anniversary thereof (provided that the event that constitutes Good Reason must occur after the Change in Control) and (B) was employed by Delta as of the Change in Control Date; or

(iii) with respect to either the Chief Executive Officer or the President of the Company as of October 29, 2008, the Participant resigns for Good Reason.

(b) Condition Precedent to Receipt of Any Benefits Under the Plan . In order to receive the benefits of the 2009 Plan, eligible Participants must first sign a Separation Agreement and General Release prepared by Delta (the " **Agreement** ") within 45 days of the date that the Agreement is presented to the Participant. Participants who fail to sign the Agreement within 45 days or who rescind the Agreement within the applicable Revocation Period are not eligible to receive benefits under the 2009 Plan. The Agreement is designed to ensure that both Delta and the Participant have their rights and obligations in connection with the termination of employment established with certainty and finality. Delta is offering benefits under this 2009 Plan in exchange for the execution of the Agreement. The Agreement shall be in a form provided by and satisfactory to Delta and may include, without limitation, a release in favor of Delta and its employees, directors and Affiliates and certain non-competition, non-solicitation and non-recruitment agreements for the benefit of Delta; *provided* , *however* , that for the two year period following a Change in Control, the Agreement shall be in substantially the same form as the form of Agreement used immediately prior to the Change in Control.

4. DESCRIPTION OF SPECIFIC BENEFITS

Upon a Severance Event, each Participant will be eligible for the following benefits:

(a) Severance Pay . A Participant will be eligible for " **Severance Pay** ", in an amount determined as described below, and based on the Participant's job level at the time of the Severance Event. If however, the Severance Event is described in Section 3(a)(ii) or (iii) above and the event which constitutes Good Reason is a significant diminution of the Participant's position, responsibilities or duties, Severance Pay shall be based on the Participant's MIP Target Award prior to the diminution which gave rise to the Participant's resignation. Severance Pay will be paid as a one-time lump-sum payment promptly following the Participant's Severance Event (taking into account however, sufficient time to perform the calculations, if any, necessary under Section 4(e) and fulfillment of the other eligibility criteria including compliance with Section 3(b) above, but in no event shall be paid more than two and one half months following the end of the year in which the Severance Event occurs. All applicable federal, state, and local taxes will be withheld from all Severance Pay. Severance Pay will not be considered as earnings under any qualified or non qualified plan or program sponsored by Delta or any Affiliate. Each Participant will be eligible for Severance Pay in an amount equal to:

(i) 6 months Base Salary for Directors, plus 50% of any applicable MIP Target Amount;

(ii) 9 months Base Salary for Managing Directors, plus 75% of any applicable MIP Target Amount;

(iii) 12 months Base Salary for Vice Presidents, plus 100% of any applicable MIP Target Amount;

(iv) 15 months Base Salary for Senior Vice Presidents, plus 125% of any applicable MIP Target Amount;

(v) 18 months Base Salary for Executive Vice Presidents, plus 150% of any applicable MIP Target Amount ; and

(vi) 24 months Base Salary for the President or Chief Executive Officer, plus 200% of any applicable MIP Target Amount.

(b) Extension of Benefits During Severance Period . A Participant shall be eligible for the following extended benefits for the periods noted below.

(i) Medical/Dental and Life Insurance Benefits.

(A) Payment of COBRA Premiums . Delta will pay the premiums for medical, dental and/or vision COBRA coverage (but not for any portion of the COBRA premium for any Healthcare Flexible

Spending Account) for which a Participant and his eligible dependents may be eligible, provided such COBRA coverage is properly elected by the Participant or his eligible dependents. Eligibility for such payments shall continue until the earlier of: (i) the end of the Severance Period; or (ii) the date the Participant's or the Participant's dependents' eligibility for COBRA coverage ceases as provided under COBRA and the terms of the Delta Account-Based Healthcare Plan (or corresponding pilot or Affiliate plan, if applicable).

(B) Payment of Retiree Medical Premiums. To the extent applicable, if a Participant is eligible for special early, early or normal retirement under the Company's retirement plan or policy at the time of the Severance Event, and the Participant or one or more of his eligible dependents elects COBRA coverage instead of retiree medical and/or dental coverage, the above section entitled "Payment of COBRA Premiums" will apply with respect to any Delta-paid COBRA premium. If the Participant or an eligible dependent instead elects retiree medical and/or dental coverage, Delta will, in lieu of paying COBRA premiums as described above, pay the retiree medical and/or dental premium for the Participant and/or his eligible dependents during the Severance Period, provided that the Participant and/or his eligible dependents properly enroll for such coverage. If a Participant or his dependents become ineligible for Delta retiree coverage for any reason or opt out of such coverage, all Delta paid coverage for that person (or group of persons) will cease and Delta will have no responsibility to pay any further retiree medical and/or dental premiums under the 2009 Plan; however the Participant or his dependents shall retain whatever rights they may have under any other applicable Delta sponsored retiree medical plan or program.

(ii) Basic Life Insurance . Participants will also have their basic life insurance coverage under the Delta Family-Care Disability and Survivorship Plan (or corresponding pilot or Affiliate plan, if applicable) continued for the Severance Period at Delta's expense; provided the Participant shall be responsible for any taxes associated with such continuation. The amount of coverage continued will be equal to the amount of basic life insurance coverage in effect immediately prior to separation. This continued coverage shall not affect any other death benefit for which the Participant is eligible.

(iii) Travel Privileges.

(A) During the Severance Period, a Participant will be eligible for continued travel privileges generally comparable to those under Delta's travel policy as in effect for an active employee at the Participant's job level at the time of the Severance Event. If however, the Severance Event is described in Section 3(a)(ii) or (iii) above and the event which constitutes Good Reason is a significant diminution of the Participant's position, responsibilities or duties, any Travel Privileges shall be based on the Participant's job level prior to the diminution which gave rise to the Participant's resignation. In addition, with respect to any Participant who (i) incurs a termination that constitutes a Severance Event during the period beginning on a Change in Control Date and ending on the second anniversary thereof and (ii) is a Vice President or more senior Officer of the Company at the time of the Change in Control Date, such Participant shall after the expiration of the Travel Privileges described in the previous sentence, be treated as a retired officer for purposes of the Company's travel policy regardless of the Participant's actual age or years of service. Following the expiration of the Severance Period, the Participant's travel benefits will be based on the Company travel policy for retired officers at the level at which the Participant was employed immediately prior to the Change in Control Date. Provided however, anything in the 2009 Plan to the contrary notwithstanding, any person who first becomes an Officer or Director after June 8, 2009 shall not receive any Tax Allowance (as that term is defined in the Delta Air Lines, Inc. UATP Travel Program) during the Severance Period or following his or her termination of active employment.

(B) All Travel Privileges shall be governed by all applicable rules and procedures which are generally applicable at the time the Travel Privileges are used, except as expressly modified in this 2009 Plan. Travel Privileges may be used for pleasure, vacation, or personal emergency, but may not be used for any type of business or professional activity. Any violation of the rules governing non-revenue and reduced rate travel may result in the suspension or termination of all Travel Privileges for the Participant and/or his family members (or friends and family travelers).

(C) Family status changes (such as marriage, divorce, adoption or birth of child) that occur during the Severance Period must be reported to the Delta Employee Service Center (or corresponding Affiliate administrator) within 30 days of the status change. Failure to do so will result in the ineligibility of the new family member for Travel Privileges described under this 2009 Plan.

(D) This section shall not create any contractual rights, and the Travel Privileges provided pursuant to this provision shall remain subject to Delta's right to apply all applicable rules as they exist from time to time and to modify or terminate such privileges at any time, including after termination of employment, in its sole discretion.

(E) If a Participant has contractual rights to travel privileges that are provided in another agreement that are different or not as favorable as the Travel Privileges provided under this section, such Participant shall also be eligible for the Travel Privileges granted hereunder, but shall have no contractual rights to such different or more favorable Travel Privileges. In that case, the reservation of rights in (D) above shall apply only to the Travel Privileges that are provided under this section, and not to any other contractual travel privileges the Participant may have. A Participant that has separately granted contractual rights may use his contractually granted rights or the Travel Privileges granted under the 2009 Plan, but not both. For example, if under both the 2009 Plan and any contractual agreement, the Participant is eligible under each for an allowance of $10,000, the Participant may use one such allowance of $10,000, and the two allowances cannot be combined into a total allowance of $20,000.

(c) Career Transition Services. Participants are eligible to receive career transition services valued at up to $5,000 at a career transition services firm chosen by Delta. Delta shall pay such firm directly for such services. The career transition services may include seminars, job search work teams, productivity clinic, resumé preparation, assessments, resource library, on-line database, job lead development, individual counseling, administrative support, computer lab, and workspace phone/fax. The eligibility to receive these services will expire upon the first of (x) the Participant becoming employed; (y) the expiration of the Severance Period; or (z) the last day of the second year following the taxable year in which the Participant separated from service for purposes of Section 409A of the Internal Revenue Code, as amended (the “Code”)..

(d) Financial Planning Services. Participants are eligible for continuation of the financial planning services for which they are eligible at the time of their separation from Delta. A Participant shall be reimbursed for any covered expenses; Delta shall not provide direct payments to the vendor for such services. The eligibility to receive such reimbursement will expire at the conclusion of the calendar year in which the Participant separates from Delta, even if that occurs during the Severance Period. All reimbursements for such services must be made by the end of the third year following the taxable year in which the Participant separated from service for purposes of Section 409A of the Code.

(e) Certain Reductions in Payments .

(i) In the event that a Participant becomes entitled to benefits under the 2009 Plan, and Delta, or at its direction, the Accounting Firm (as defined below), determines that the payments and benefits provided under the 2009 Plan, together with any payment or consideration in the nature of value or compensation to or for Participant’s benefit under any other agreement with, or plan of, Delta that the Accounting Firm determines should be included as a parachute payment (as defined in Section 280G of the Code) (in the aggregate, “Total Payments”) would (after taking into account any value attributable to any payment (or portion thereof) which Delta establishes by clear and convincing evidence is reasonable compensation for personal services to be rendered by the Participant on or after the date of the change in ownership or control within the meaning of Section 280g(b)(4)(A) of the Code, such payment hereinafter referred to as “post change reasonable compensation”), subject Participant to the excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce the Total Payments to the Reduced Amount (as defined below). The Total Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that Participant would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if Participant's Total Payments were reduced to the Reduced Amount. If instead the Accounting Firm determines that Participant would not have a greater Net After-Tax Receipt of aggregate payments if Participant's Total Payments were reduced to the Reduced Amount, Participant shall receive all Total Payments to which Participant is entitled. Any valuation of any post change reasonable compensation shall be determined by the Accounting Firm (or, if the Accounting Firm is not able to make such determination, an independent third-party valuation specialist, selected by Delta), and Delta shall cooperate in good faith in connection with any such valuation process.

(ii) If the Accounting Firm determines that aggregate Total Payments should be reduced to the Reduced Amount, Delta shall promptly give Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm (or, with respect to the valuation of the post change reasonable compensation, or to the extent applicable, the independent third-party valuation specialist) under this section shall be binding upon Delta and Participant and shall be made within thirty (30) days after a termination of Participant's employment. The reduction of the Total Payments to the Reduced Amount, if applicable, shall be made by reducing the Total Payments under the following types of compensation or value in the following order: (i) Stock Options, (ii) Restricted Stock, (iii) Performance Shares, and (iv) Cash. All fees and expenses of the Accounting Firm and the independent third-party valuation specialist (if any) shall be borne solely by Delta.

(iii) As a result of the uncertainty in the application of Sections 280G and 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by Delta to or for the benefit of Participant pursuant to the 2009 Plan which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by Delta to or for the benefit of Participant pursuant to the 2009 Plan could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either Delta or Participant which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, Participant shall pay any such Overpayment to Delta together with at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by Participant to Delta if and to the extent such payment would not either reduce the amount on which Participant is subject to tax under Sections 1, 3101 and 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by Delta to or for the benefit of Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. In all events, any Overpayment or Underpayment shall be paid no later than December 31 of the year after the year in which the Overpayment or Underpayment is determined to exist.

(iv) For purposes hereof, the following terms have the meanings set forth below:

(A) “Net After-Tax Receipt” shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a payment net of all taxes imposed on Participant with respect thereto under Sections 1, 3101 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to Participant’s taxable income for the immediately preceding taxable year, or such other rate(s) as Participant certifies, in his or her sole discretion, as likely to apply to him or her in the relevant tax year(s), and 1.45% under Section 3101. If applicable, the phase out of itemized deductions and personal exemptions shall also be taken into consideration.

(B) “Reduced Amount” shall mean the greatest amount of Total Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Total Payments pursuant this Section.

(C) “Accounting Firm” shall mean the nationally recognized accounting firm generally used by Delta as its financial auditor. In the event that the Accounting Firm is serving as accountant or auditor for a person effecting the Change in Control or is otherwise unavailable, the Participant may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder).

(f) Severance Period . “ **Severance Period** ” shall mean with respect to any Severance Event, the period beginning on the Participant’s employment termination date from Delta and ending:

(i) 6 months after the termination date for Directors;

(ii) 9 months after the termination date for Managing Directors;

(iii) 12 months after the termination date for Vice Presidents;

(iv) 15 months after the termination date for Senior Vice Presidents;

(v) 18 months after the termination date for Executive Vice Presidents; and

(vi) 24 months after the termination date for the President or Chief Executive Officer.

The Severance Period will be based on the Participant’s job level at the time of the Severance Event. If however, the Severance Event is described in Section 3(a)(ii) or (iii) above and the event which constitutes Good Reason is a significant diminution of the Participant’s position, responsibilities or duties, the Severance Period shall be based on the Participant’s job level prior to the diminution which gave rise to the Participant’s resignation

5. PLAN ADMINISTRATION AND INTERPRETATION

The " **Plan Administrator** " is the Executive Vice President — Human Resources & Labor Relations (or any other Officer of the Company designated by the Personnel & Compensation Committee of the Board). The " **Plan Year** " is January 1 to December 31. Benefits from the 2009 Plan are paid from the general assets of Delta.

The Plan Administrator, or his delegate, has the full power and authority, in his sole discretion to construe, interpret and administer the 2009 Plan and his decisions shall be final and binding. The Plan Administrator shall have the broadest discretionary authority permitted under law in the exercise of all its functions including, but not limited to, deciding questions of eligibility, interpretation and the right to benefits hereunder.

6. PLAN CLAIMS AND APPEALS

Any Participant who upon the termination of his employment does not receive the benefits under the 2009 Plan to which he believes he is entitled may file a claim for such benefits in writing to the Vice President — Compensation, Benefits and Services of the Company (or such other officer as may be designated by the Company). Such claim must be received by the Vice President — Compensation, Benefits and Services within 60 days of the Participant's termination of employment. If the claim is denied, the Vice President — Compensation, Benefits and Services will send written notification of the denial within 90 days after the claim is properly and completely filed. Special circumstances may require an additional period of no more than 90 days. In that event, the Participant will be sent a written notice of the special circumstances requiring the extension and the date when a decision on the claim can be expected. If the claim is denied, the Participant will be so advised and informed of the reason, the provisions of the 2009 Plan upon which the denial was based, and, if applicable, an explanation of other relevant material or information necessary to perfect the claim. If the claim is denied or if the Participant is not furnished with written notification of the decision on the claim within 90 days (or within 180 days if an extension is necessary) after the claim is properly and completely filed, the Participant or his authorized representative may request a review of the claim under the appeal procedures described below.

If a Participant is dissatisfied with a denial of a claim under the 2009 Plan, the Participant must appeal the denial in writing before pursuing any other remedy. All appeals must be addressed to the proper party in a timely manner. **All appeal time deadlines will be strictly enforced.**

If a Participant desires a review of a denial, the Participant or his representative designated in writing must submit a written request to the Plan Administrator that is received by the Plan Administrator within 90 days of the date of the letter denying benefits. The date of the denial indicated on the denial letter counts as day one in determining this 90-day period and the Plan Administrator expressly reserves the right to refuse to consider tardy appeals.

The Plan Administrator will notify the Participant or his designated representative in writing of the decision on review within 60 days after the Plan Administrator receives the review request. If the claim denial is upheld, the Participant will be so advised and informed of the reason and the provisions of the 2009 Plan document upon which the denial was based. The Plan Administrator may take an additional 60 days to inform the Participant of a decision if special circumstances require an extension of processing time and the Plan Administrator has notified the Participant in writing that there will be a delay, the reasons for needing more time, and the date by which the final decision will be made.

Review by the Plan Administrator is made only upon the written record. The Participant or his representative designated in writing may review pertinent documents relating to the denial and may submit comments, a statement of issues, and/or additional documentary evidence if desired. Personal appearances are not permitted.

A Participant must timely exhaust the administrative remedies allowed under the 2009 Plan as described above before filing any legal action on a claim. The previously described procedure is the exclusive administrative claims procedure provided under the 2009 Plan.

7. AMENDMENT

Except as expressly set forth herein, the Company may amend or terminate the 2009 Plan at any time; *provided* , *however* , that as of a Change in Control Date, no amendment to or termination of the 2009 Plan that is adverse to any person who is an employee of Delta on the Change in Control Date shall be effective until after the second anniversary of such Change in Control Date.

8. SUCCESSORS AND ASSIGNS

The 2009 Plan shall be binding upon Delta's successors and assigns.

9. GOVERNING LAW

The 2009 Plan is governed by the Employee Retirement Income Security Act of 1974, as amended (" **ERISA** "), but it is intended to qualify as a plan maintained for the purpose of providing benefits to a select group of management or highly compensated employees. As such, it is exempt from certain provisions of ERISA pursuant to ERISA Sections 201(2), 301(a)(3), 401(a)(1) and 4021(b) and applicable regulations (including U.S. Department of Labor Regulation 2520.104-23). However, some of the underlying benefits provided for under the terms of the 2009 Plan, such as travel privileges, financial planning and career transition services are not governed by ERISA, and their inclusion in the 2009 Plan does not deem them subject to ERISA. To the extent not superseded by ERISA, the 2009 Plan and all determinations made and actions taken thereunder shall be governed by the internal substantive laws of the State of Georgia and construed accordingly.

10. SECTION 409A OF THE INTERNAL REVENUE CODE

To the extent required to be in compliance with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (together, " **Section 409A** "), notwithstanding any other provision of this Plan, (a) any payment or benefit to which a Participant is eligible under this Plan, including a Participant who is a "specified employee" as defined in Section 409A, shall be adjusted or delayed and (b) any term of the Plan may be adjusted, in such manner as to comply with Section 409A and maintain the intent of this Plan to the maximum extent possible. More specifically, to the extent any payment or benefit provided to a Participant under the 2009 Plan constitutes non excepted deferred compensation under Section 409A and the Participant is at the time of his termination of employment considered to be a "specified employee" pursuant to the Company's policy for determining such employees, the payment of any such non excepted amount and the provision of such non excepted benefits will be delayed for six months following the Participant's separation from service. Notwithstanding the foregoing, Delta shall not have any liability to any Participant or any other person if any payment or benefit is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and does not satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A.

11. DEFINITIONS

The following definitions shall apply for purposes of the 2009 Plan:

(a) " **Affiliate** " means any entity that directly or indirectly controls or is controlled by or under common control with the Company.

(b) " **Base Salary** " means the Participant's monthly base salary at the time of separation, excluding expense reimbursements and supplemental salary payments, and any items not considered by the Plan Administrator to be a component of regular monthly base earnings; *provided* , *however* , that, as of a Change in Control Date, in the event of a termination of employment by the Participant because of a reduction in the Participant's pay, "Base Salary" means the Participant's monthly base salary prior to the reduction in pay which gave rise to the Participant's termination of employment.

(c) " **Board** " means the Board of Directors of the Company.

(d) " **Cause** " means the Participant's

(i) continued, substantial failure to perform his duties with Delta (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant which identifies the manner in which Delta believes that the Participant has not performed his duties, or

(ii) misconduct which is economically injurious to Delta, or

(iii) conviction of, or plea of guilty or no contest to, a felony or any other crime involving moral turpitude, fraud, theft, embezzlement or dishonesty, or

(iv) material violation of any material Delta policy or rule regarding conduct, which policy or rule has been communicated in writing to the Participant.

A Participant shall have at least ten (10) business days to cure, if curable, any of the events (other than Section 11(d)(iii)) which could lead to his termination of Cause. For any Participant who is an Executive Vice President or more senior executive of the Company, a termination for Cause must be approved by a 2/3 vote of the entire Board.

(e) " **Change in Control** " means the occurrence after January 2, 2009 of any of the following:

(i) any "person" (as defined in Section 13(d) of the Securities Exchange Act of 1934 (" **Act** ")) other than the Company, its Affiliates or an employee benefit plan or trust maintained by the Company or its Affiliates, becoming the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 35% of the combined voting power of the Company's then outstanding Voting Stock (excluding any "person" who becomes such a beneficial owner in connection with a transaction described in Section 11(e)(iii)(A) of paragraph (iii) below), unless such person acquires beneficial ownership of more than 35% of the combined voting power of the Company's Voting Stock then outstanding solely as a result of an acquisition of Company Voting Stock by the Company which, by reducing the Company Voting Stock outstanding, increases the proportionate Company Voting Stock beneficially owned by such person to more than 35% of the combined voting power of the Company's Voting Stock then outstanding; *provided* , that if a person shall become the beneficial owner of more than 35% of the combined voting power of the Company's Voting Stock then outstanding by reason of such Voting Stock acquisition by the Company and shall thereafter become the beneficial owner of any additional Company Voting Stock which causes the proportionate voting power of such Company Voting Stock beneficially owned by such person to increase to more than 35% of the combined voting power of such Voting Stock then outstanding, such person shall, upon becoming the beneficial owner of such additional Company Voting Stock, be deemed to have become the beneficial owner of more than 35% of the combined voting power of the Company's Voting Stock then outstanding other than solely as a result of such Voting Stock acquisition by the Company;

(ii) at any time during a period of twelve consecutive months (but not including any period before January 2, 2009) individuals who at the beginning of such period constituted the Board (and any new member of the Board, whose election by the Board or nomination for election by the Company's shareowners was approved by a vote of at least two-thirds of the members of the Board then still in office who either were member of the Board at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority of members then constituting the Board; or

(iii) the consummation of (A) a reorganization, merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a reorganization, merger or consolidation which results in the Company's Voting Stock outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into Voting Stock of the surviving entity or any parent thereof) more than 65% of the voting power of the Voting Stock or the total fair market value of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of assets of the Company having a total gross fair market value equal to more than 40% of the total gross fair market value of all assets of the Company immediately prior to such transaction or transactions other than any such sale to an Affiliate.

Notwithstanding the foregoing, in no event shall a Change in Control be deemed to have occurred with respect to a Participant if the Participant is part of a "group", within the meaning of Section 13(d)(3) of the Act, which consummates the Change in Control transaction. In addition, for purposes of the definition of Change in Control, a person engaged in business as an underwriter of securities shall not be deemed to be the beneficial owner of, or to beneficially own, any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(f) **"Change in Control Date"** means the date on which a Change in Control occurs.

(g) " **Good Reason** " means any of the following that occurs without a Participant's express written consent:

(i) in the case of any Participant, a material diminution or other reduction of such Participant's authorities, duties or responsibilities, other than an inadvertent act that is promptly remedied by Delta after written notice by such Participant to the Chief Executive Officer of the Company;

(ii) the Participant's office is relocated by more than 50 miles;

(iii) a material reduction of Participant's Base Salary or incentive compensation opportunities, in either case other than pursuant to a uniform percentage salary reduction for all full-time domestic employees not subject to a collective bargaining agreement;

(iv) the Company does not keep in effect compensation, retirement, health and welfare benefits, or perquisite programs under which the Participant receives benefits substantially similar, in the aggregate, to those in effect prior to a reduction (other than a reduction pursuant to an equivalent reduction in such benefits for all full-time domestic employees who are not subject to a collective bargaining agreement); or

(v) a material breach by Delta of any binding obligation to the Participant relating to a material term of the Participant's employment, including, but not limited to, indemnification or the terms of an award under the Delta Air Lines, Inc. 2007 Performance Compensation Plan, or any failure of a successor to the Company to assume and agree to perform such obligation.

Notwithstanding the foregoing:

(A) (i) any award made to a Participant under the Delta Air Lines, Inc. Merger Award Program, (ii) any other equity-based awards or other incentive compensation awards made to a Participant by any of Delta (or any Affiliate) or Northwest Airlines Corporation (or any subsidiary) either on or before January 1, 2009, and (iii) any equity-based awards, incentive compensation, retention payment, special travel or other benefits provided to a Participant solely as a result of his or her initial employment with Delta or any Affiliate, will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason;

(B) with respect to any Participant who was employed by Northwest Airlines Corporation or any subsidiary thereof immediately prior to October 29, 2008, all compensation and benefit programs provided to such Participant prior to that date by Northwest or any subsidiary thereof, including, without limitation, the Participant's base salary, will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason;

(C) as to any Participant, an event described above shall constitute Good Reason only if such Participant gives the Company written notice of intent to resign and the facts that constitute Good Reason within ninety (90) days of the occurrence of such event;

(D) no event described above which is curable shall constitute Good Reason if such event is cured by the Company or an Affiliate within thirty-one (31) days of the Participant's notice, given in accordance with (C) above; and

(E) absent a cure by the Company or an Affiliate as described in (D) above, the Participant must separate from service prior to the end of the 180 day period beginning with the event that constituted Good Reason.

(h) " **MIP Target Amount** " means as to any Participant, such Participant's target award amount under the Company's Management Incentive Plan (or any similar plan) in effect at the time such Participant has a termination of employment that entitles the Participant to benefits hereunder (except as provided in Section 4(a)).

(ij) **"Revocation Period"** means the period of time immediately following the date a Participant signs an Agreement that he has to revoke such Agreement, with such period of time specified in the Agreement.

(j) " **Voting Stock** " means securities entitled to vote generally on the election of members of the board of directors.

Exhibit 10.11(b)

AMENDMENT TO THE DELTA AIR LINES, INC.
<u>OFFICER AND DIRECTOR SEVERANCE PLAN</u>
As Amended and Restated as of January 2, 2009
As Further Amended October 20, 2009

The Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of January 2, 2009, and as further amended October 20, 2009 (the " **Plan** ") is hereby amended as follows:

1. Section 11(g) of the Plan (definition of "Good Reason") is amended by deleting subsection (A) thereof in its entirety and inserting the following new subsection (A) (as marked) in its place:

> "(A) (i) any long-term award made to a Participant under the Delta Air Lines, Inc. 2007 Performance Compensation Plan, (ii) any other equity-based awards or other incentive compensation awards made to a Participant by any of Delta (or any Affiliate) or Northwest Airlines Corporation (or any subsidiary) either on or before January 1, 2009, (iii) any equity-based awards, incentive compensation, retention payment, special travel or other benefits provided to a Participant solely as a result of his or her initial employment with Delta or any Affiliate and (iv) the elimination of post-retirement coverage under Delta's executive life insurance program, will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason;"

2. Except as expressly amended herein, the Plan, as amended, shall remain otherwise without change.

EXHIBIT 10.12

Description of Certain Benefits
of Members of the Board of Directors and Executive Officers

Delta provides certain flight benefits to members of its Board of Directors and provides certain benefits to its executive officers. Delta reserves the right to change, amend or terminate these programs, consistent with their terms, at any time for any reason for both active and retired directors and employees.

Flight Benefits : As is common in the airline industry, Delta provides complimentary travel and certain Delta Sky Club privileges for members of the Board of Directors; executive officers; the director's or officer's spouse, domestic partner or designated companion; the director's or officer's children and parents; and, to a limited extent, other persons designated by the director or officer ("Flight Benefits"). Complimentary travel for such other persons is limited to an aggregate imputed value of $20,000 per year for directors, the CEO and President; $15,000 per year for executive vice presidents; and $12,500 per year for senior vice presidents. Delta reimburses directors and officers for associated taxes on complimentary travel with an imputed tax value of up to $25,000 per year for directors, the CEO and President; $20,000 per year for executive vice presidents; and $17,500 per year for senior vice presidents. Unused portions of the annual allowances described in the previous two sentences accumulate and may be carried into succeeding years during Board service or employment.

A director who retires from the Board at or after age 52 with at least 10 years of service as a director, at or after age 68 with at least five years of service as a director, or at his mandatory retirement date, may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Director Flight Benefits"). A director who served on the Board of Directors during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date on which the merger occurred, or who joined the Board of Directors on the date the merger occurred, will receive, at the completion of his Board service (other than due to death or due to removal by stockholders for cause), a vested right to Retired Director Flight Benefits, regardless of the director's age and years of service when his Board service ends. The director designated by the Delta Master Executive Council, the governing body of the Delta unit of the Air Line Pilots Association, International, does not receive Flight Benefits or Retired Director Flight Benefits.

An executive officer who retires from Delta at or after age 52 with at least 10 years of service, or at or after age 62 with at least five years of service, may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Officer Flight Benefits"). In exchange for certain non-competition, non-solicitation and confidentiality covenants for the benefit of Delta and a general release of claims against Delta, an officer who served in that capacity during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date on which the merger occurred, or who joined Delta from Northwest on the date the merger occurred, will receive, on his termination of employment (other than by death or by Delta for cause), a vested right to Retired Officer Flight Benefits, regardless of the officer's age and years of service at his termination of employment.

Notwithstanding the foregoing, a person who is first elected to the Board of Directors or an executive officer on or after June 8, 2009, will not receive reimbursement for taxes for Retired Director Flight Benefits or Retired Officer Flight Benefits, respectively.

Life Insurance : Delta provides life insurance coverage of two times base salary to executive officers during employment.

Financial Planning Services : The CEO, the President and Executive Vice Presidents are eligible for reimbursement of up to $15,000 per year, and Senior Vice Presidents are eligible for reimbursement of up to $8,500 per year, for tax preparation, legal and financial planning services.

Home Security Services : Executive officers are eligible for reimbursement for installation and monthly monitoring of home security systems.

Annual Physicals: Delta requires executive officers to obtain a comprehensive annual physical examination. Delta pays the cost of this required examination, which is limited to a prescribed set of preventive procedures based on the person's age and gender.

Pre-existing Medical Benefits Agreement Between Northwest Airlines and Richard Anderson: In 2001, Northwest Airlines entered into an agreement with its then Chief Executive Officer, Richard Anderson, agreeing to provide Mr. Anderson, his spouse and eligible dependents with medical and dental coverage at the levels then provided to Mr. Anderson under the Northwest Airlines medical plans for the life of Mr. Anderson and his spouse. This coverage is secondary to any medical coverage Mr. Anderson receives while he is employed by another company. The agreement with Mr. Anderson was reviewed and approved by the compensation committee of Northwest, and was consistent with Northwest's then existing practices. As a result of the merger, Delta is required to honor this agreement. Mr. Anderson has voluntarily waived the benefits under this agreement while he is employed with Delta.

EXHIBIT 10.15(a)

DELTA AIR LINES, INC.
2010 LONG-TERM INCENTIVE PROGRAM

1. Purpose. The 2010 Long-Term Incentive Program (the " **2010 LTIP** ") is a long term incentive program sponsored by Delta Air Lines, Inc. (" **Delta** " or the " **Company** ") that is intended to: (a) closely link pay and performance by providing management employees with a compensation opportunity based on Delta's achieving key business objectives; and (b) align the interests of management employees with the Company's other employees and stakeholders.

The 2010 LTIP is being adopted under the Delta Air Lines, Inc. 2007 Performance Compensation Plan (" **2007 Performance Plan** "). It is subject to the terms of the 2007 Performance Plan and an individual's 2010 LTIP Award Agreement (" **Award Agreement"**).

Capitalized terms that are used but not defined in the 2010 LTIP shall have the meaning ascribed to them in the 2007 Performance Plan. For purposes of the 2010 LTIP, the definitions of " **Change in Control** ," " **Good Reason** ," and " **Retirement** " as set forth in the 2007 Performance Plan are hereby replaced or modified under Section 6 below, and shall apply as set forth in Section 6 in lieu of the definitions of these terms in the 2007 Performance Plan or as modified, as applicable.

2. Plan Administration . (a) The Personnel & Compensation Committee of the Board of Directors (the " **Committee** ") shall be responsible for the general administration and interpretation of the 2010 LTIP and for carrying out its provisions. The Committee shall have such powers as may be necessary to discharge its duties hereunder, including, without limitation, the following powers and duties, but subject to the terms of the 2010 LTIP:

(i) authority to construe and interpret the terms of the 2010 LTIP, and to determine eligibility, awards and the amount, manner and time of payment of any awards hereunder;

(ii) authority to prescribe forms and procedures for purposes of the 2010 LTIP participation and distribution of awards; and

(iii) authority to adopt rules and regulations and to take such actions as it deems necessary or desirable for the proper administration of the 2010 LTIP.

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the 2010 LTIP shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

(c) Notwithstanding anything contained in the 2007 Performance Plan to the contrary, the Committee shall not have the authority to increase or decrease the actual payout of any Performance Award (as defined below) granted to any Participant pursuant to Section 4(b) hereunder.

3. Individual Award Agreements. Any person offered an Award under the 2010 LTIP will be required to sign an individual Award Agreement. Execution by such person of his or her Award Agreement will be a prerequisite to the effectiveness of the Award under the 2010 LTIP and to the person's becoming a Participant in the 2010 LTIP.

4. Awards.

(a) Restricted Stock.

(i) _Award Grant_ . A Participant may receive Restricted Stock as specified in the Participant's Award Agreement (the " **Restricted Stock** ").

(ii) _Grant Date_ . The Grant Date of the Restricted Stock will be determined by the Committee in accordance with the Company's Equity Award Grant Policy, as in effect from time to time, and set forth in a Participant's Award Agreement.

(iii) _Restrictions_ . Until the restrictions imposed by this Section 4(a) (the " **Restrictions** ") have lapsed pursuant to Section 4(a)(iv), (v) or (vi) below, a Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the Restricted Stock and the Restricted Stock will be subject to forfeiture as set forth below.

(iv) _Lapse of Restrictions—Continued Employment_ . Subject to the terms of the 2007 Performance Plan and the 2010 LTIP, the Restrictions shall lapse and be of no further force or effect with respect to one-half of the Shares of Restricted Stock on February 1, 2011 (" **First Installment Date** ") and the remaining one-half on February 1, 2012 (" **Second Installment Date** "). [1]

(v) _Lapse of Restrictions/Forfeiture upon Termination of Employment_ . The Restricted Stock and the Restrictions set forth in this Section 4 (a) are subject to the following terms and conditions:

(A) *Without Cause or For Good Reason.* Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the Pro Rata RS Portion as of the date of such Termination of Employment. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

" **Pro Rata RS Portion** " means, with respect to any portion of Restricted Stock that is subject to the Restrictions at the time of a Participant's Termination of Employment, the number of Shares with respect to which the Restrictions would have lapsed on each future Installment Date multiplied by a fraction (i) the numerator of which is the number of calendar months [2] from the Grant Date to the date of such Termination of

---

1 If this formula results in any fractional Share allocation to any Installment Date, the number of Shares with respect to which the Restrictions lapse on the First Installment Date will be rounded up, and the number of shares with respect to which the Restrictions lapse on the Second Installment Date will be rounded down, to the nearest whole Share so that only full Shares are covered by each Installment Date.

2 For purposes of the 2010 LTIP, one calendar month is calculated from the date of measurement to the same or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2010 will elapse as of February 28, 2010, two months will elapse on March 31, 2010, and so on.

Employment, rounded up for any partial month and (ii) the denominator of which is twelve (12) for the First Installment Date and twenty-four (24) for the Second Installment Date. [3]

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(C) *Retirement.* Subject to Section 4(a)(v)(F) below, upon a Participant's Termination of Employment by reason of Retirement, with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the Pro Rata RS Portion as of the date of such Termination of Employment. Pro Rata RS Portion has the meaning set forth in Section 4(a)(v)(A) above. Upon a Participant's Termination of Employment by reason of Retirement, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Restrictions shall immediately lapse and be of no further force or effect as of the date of such Termination of Employment.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2010 LTIP rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the 2010 LTIP, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(vi) *Change in Control* . Notwithstanding the forgoing and subject to Section 5 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, any Restrictions in effect shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

---

[3] If this formula results in any fractional Share, the Pro Rata RS Portion will be rounded up to the nearest whole Share.

(vii) *Dividends* . In the event a cash dividend shall be paid with respect to Shares at a time the Restrictions on the Restricted Stock have not lapsed, the Participant shall be eligible to receive the dividend upon the lapse of the Restrictions. The Restrictions shall apply to any such dividend.

(b) Performance Awards.

(i) *Award Grant* . A Participant may receive a Performance Award for a specified target cash amount as set forth in the Participant's Award Agreement (a " **Performance Award** ").

(ii) *Grant Date* . The Grant Date of the Performance Award will be determined by the Committee and set forth in the Participant's Award Agreement.

(iii) *Payout Criteria and Form of Payment* . Except as otherwise expressly set forth in this Section 4(b), payment, if any, of a Performance Award will be based on the following factors as described and defined below: (A) the Cumulative Revenue Growth during the Performance Period of the Company relative to the members of the Airline Peer Group; and (B) the Average Annual Pre-Tax Income Margin during the Performance Period of the Company relative to the members of the Airline Peer Group.

The payout, if any, of a Performance Award will be made (A) in Shares, calculated based on the Conversion Formula (as defined below), to each Participant who is employed by the Company as an executive vice president or more senior officer or holds the position of general counsel or chief financial officer of the Company (" **Executive Officer Participant** ") at the time of such payout; and (B) in cash in all other circumstances.

(iv) *Definitions* .

(A) " **Airline Peer Group** " means AMR Corporation, Continental Airlines, Inc., Southwest Airlines Co., UAL Corporation and US Airways Group, Inc.

(B) The " **Average Annual Pre-Tax Income Margin** " for Delta and each member of the Airline Peer Group shall be calculated by using the subject company's Pre-Tax Income and Total Operating Revenue for the applicable periods and the following formula: (A ÷ B), where:

A = Pre-Tax Income for 2010 and 2011; and
B = Total Operating Revenue for 2010 and 2011.

(C) The " **Conversion Formula** " will apply to convert from cash to Shares the payout, if any, of a Performance Award to a person who is an Executive Officer Participant at the time of such payout. First, the cash amount of the payout is calculated in the same manner as if the payout is being made in cash. Next, the cash amount is converted into a number of Shares based on the following formula: A ÷ B, where:

A = the amount of the payout for the Performance Award if it is paid in cash; and

B = the closing price of a Share on the New York Stock Exchange on the later of (1) date that the Committee approves the payouts, if any, of the Performance Awards to the Executive Officer Participants following the Committee's determination of the achievement of the payout criteria described in Section 4(b)(iii) and (2) the third business day following the date on which the Company publicly announces its annual financial results if this date is scheduled in the same month that the Committee approves such payouts, if any.

(D) The " **Cumulative Revenue Growth** " for Delta and each member of the Airline Peer Group shall be calculated by using the subject company's Total Operating Revenue for the applicable periods and the following formula: (A + B) ÷ C, where:

A = Total Operating Revenue for 2010 minus Total Operating Revenue for 2009;
B = Total Operating Revenue for 2011 minus Total Operating Revenue for 2010; and
C = Total Operating Revenue for 2009.

(E) " **GAAP** " means accounting principles generally accepted in the United States of America.

(F) " **Performance Period** " means the period beginning on January 1, 2010 and ending on and including December 31, 2011.

(G) " **Pre-Tax Income** " means, subject to Section 4(c)(v)(B) below, the subject company's consolidated pre-tax income for the applicable periods based on its regularly prepared and publicly available statements of operations prepared in accordance with GAAP, but excluding: (i) any material asset write downs; (ii) expenses associated with employee equity securities; (iii) gains or losses with respect to unusual or non-recurring events, including, without limitation, changes in accounting principles, bankruptcy-related reorganization items and other out of period adjustments; and (iv) expenses accrued with respect to any annual profit sharing plan, program or arrangement.

(H) " **Total Operating Revenue** " means, subject to Section 4(c)(v)(B) below, the subject company's total operating revenue for the applicable periods based on its regularly prepared and publicly available statements of operations prepared in accordance with GAAP.

(v) *Vesting* .

(A) *General.* Subject to the terms of the 2007 Performance Plan and all other conditions included in any applicable Award Agreement, the Performance Award shall vest, as described in this Section 4(b)(v), as of the end of the Performance Period to the extent that the Company ranks number five (5) or better in comparison to the Airline Peer Group with respect to Cumulative Revenue Growth and/or Average Annual Pre-Tax Income Margin, as applicable and as described below. For purposes of Cumulative Revenue Growth and Average Annual Pre-Tax Income Margin, a rank of one (1) will be the highest and best ranking and a rank of six (6) will be the lowest and worst ranking.

(B) *Committee's Authority.* In determining the Cumulative Revenue Growth and the Average Annual Pre-Tax Income Margin for Delta and each member of the Airline Peer Group, the Committee shall make such adjustments with respect to any subject company as is necessary to ensure the results are comparable. Without limiting the generality of the forgoing, the Committee shall (i) make such determinations based on financial data filed by the subject company with the U.S. Department of Transportation or otherwise, and (ii) exclude from any calculation any item of gain, loss or expense to be extraordinary or unusual in nature or infrequent in occurrence.

(C) *Impact of Certain Events.* A company shall be automatically ranked as number six (6) in the event that any of the following occur during or with respect to the Performance Period: (i) such company ceases to maintain or does not timely prepare publicly available statements of operations prepared in accordance with GAAP; (ii) such company is not the surviving entity in any merger, consolidation, or other non-bankruptcy reorganization (or survives only as a subsidiary of an entity other than a previously wholly owned subsidiary of such company); (iii) such company sells, leases, or exchanges all or substantially all of its assets to any other person or entity (other than a previously wholly owned subsidiary of such company); (iv) such company is dissolved and liquidated; or (v) more than 20% of such company's revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of such company prepared in accordance with GAAP) for any fiscal year of such company are attributable to the operation of businesses other than such company's airline business and such company does not provide publicly available statements of operations with respect to its airline business that are separate from the statements of operations provided with respect to its other businesses.

(D) *Transactions Between Airlines.* To the extent reasonably practicable, in the event of a merger, consolidation or similar transaction during the Performance Period between Delta and any other airline, including a member of the Airline Peer Group, or between any member of the Airline Peer Group and any other airline, including another member of the Airline Peer Group (an " **Airline Merger** "), Cumulative Revenue Growth for the surviving company will be calculated on a combined basis as if the Airline Merger had occurred on January 1, 2009 and Average Annual Pre-Tax Income Margin for such company will be calculated on a combined basis as if the Airline Merger had occurred on January 1, 2010.

(E) *Vesting/Ranking.* The payment, if any, a Participant will receive in connection with the vesting of the Performance Award will be based on the following:

Rank vs. Airline Peer Group	**Cumulative Revenue Growth** % of Target Earned x Weight	+	Rank vs. Airline Peer Group	**Average Annual Pre-Tax Income Margin** % of Target Earned x Weight
1	200% x 50%		1	200% x 50%
2	150% x 50%		2	150% x 50%
3	100% x 50%		3	100% x 50%
4	75% x 50%		4	75% x 50%
5	25% x 50%		5	25% x 50%
6	0%		6	0%

Any portion of a Performance Award that does not vest at the end of the Performance Period will immediately lapse and become void.

Examples:

1. Assume a Participant who is a not an Executive Officer Participant receives a Performance Award of $25,000 at the target level and that, as of the end of the Performance Period, Delta ranks number four (4) in Cumulative Revenue Growth (resulting in a payout at 75% of the weighted target under that measure) and number three (3) in Average Annual Pre-Tax Income Margin (resulting in a payout at 100% of the weighted target under that measure). This Participant will be eligible to receive a payout of $21,875, which is the result of the following formula: (($25,000 × 75%) × 50%) + (($25,000 × 100%) × 50%).

2. Using the same Participant in Example 1 above, assume that, as of the end of the Performance Period, Delta ranks number two (2) in Cumulative Revenue Growth (resulting in a payout at 150% of the weighted target under that measure) and number one (1) in Average Annual Pre-Tax Income Margin (resulting in a payout at 200% of the weighted target under that measure). This Participant will be eligible to receive a payout of $43,750, which is the result of the following formula: (($25,000 × 150%) × 50%) + (($25,000 × 200%) × 50%).

(vi) *Timing of Payment* . The payout, if any, of any Performance Awards that vest under Section 4(b)(v) will be made as soon after the end of the Performance Period as the payment amount can be finally determined, but in no event later than March 15, 2012, unless it is administratively impracticable to do so, and such impracticability was not foreseeable at the end of 2011, in which case such payment shall be made as soon as administratively practicable after March 15, 2012.

(vii) *Accelerated Vesting/Forfeiture upon Termination of Employment* . The Performance Awards are subject to the following terms and conditions.

(A) *Without Cause or For Good Reason.* Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), the Participant's target Performance Award will be recalculated and will be the result of the following formula (the " **Adjusted Performance Award** "): S × (T ÷ 24) where,

S = the Participant's target Performance Award as of the Grant Date; and

T = the number of calendar months from January 1, 2010 to the date of such Termination of Employment (rounded up for any partial month).

Thereafter, the Participant will be eligible to receive a payment, if any, in cash based on the Adjusted Performance Award which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), the Participant will immediately forfeit any unpaid portion of the Performance Award as of the date of such Termination of Employment.

(C) *Retirement.* Subject to Section 4(b)(vii)(F) below, upon a Participant's Termination of Employment due to Retirement, the Participant's target Performance

Award will be recalculated in accordance with the formula set forth in Section 4(b)(vii)(A) above. Thereafter, the Participant will be eligible to receive a payment, if any, in cash based on the Adjusted Performance Award which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant's Performance Award will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, the Participant will immediately forfeit any unpaid portion of the Performance Award as of the date of such Termination of Employment.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2010 LTIP rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the 2010 LTIP, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(viii) *Change in Control* . Notwithstanding the forgoing and subject to Section 5 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, the Participant's outstanding Performance Award shall immediately become vested at the target level and such amount will be paid in cash to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Adjusted Performance Award will immediately become vested and be paid in cash to the Participant as soon as practicable.

(c) Restricted Stock Units

(i) *Award Grant* . A Participant may receive Restricted Stock Units as specified in the Participant's Award Agreement (the " **RSU** ").

(ii) *Grant Date* . The Grant Date of the RSUs will be determined in accordance with the Company's Equity Award Grant Policy, as in effect from time to time, and set forth in the Participant's Award Agreement.

(iii) *Risk of Forfeiture* . Until an RSU becomes vested, a Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the RSU and the RSU will be subject to forfeiture as set forth below.

(iv) *Vesting* . Subject to the terms of 2007 Performance Plan and the 2010 LTIP, the RSUs will vest with respect to one-half of the RSUs on February 1, 2011 (" **First RSU Installment** ") and the remaining one-half on February 1, 2012 (" **Second RSU Installment** ").[4] As soon as practicable after any RSUs become vested, the Company shall pay to Participant in cash a lump sum amount equal to the number of RSUs vesting multiplied by the closing price of a Share of Common Stock on the NYSE on the vesting date or, if the Common Stock was not traded on the NYSE on the vesting date, the last date prior to the vesting date that the Common Stock was traded on the NYSE.

(v) *Accelerated Vesting; Forfeiture* . The RSUs and the vesting provisions set forth in this Section 4(c) are subject to the following terms and conditions:

(A) *Without Cause or For Good Reason.* Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), a number of RSUs equal to the Pro Rata RSU Portion will become immediately vested as of the date of such termination. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any unvested RSUs, other than the Pro Rata RSU Portion, shall be immediately forfeited.

" **Pro Rata RSU Portion** " means, with respect to any RSU Installment that is not vested at the time of a Participant's Termination of Employment, the number of RSUs covered by such RSU Installment multiplied by a fraction (i) the numerator of which is the number of calendar months[5] from the Grant Date to the date of such Termination of Employment, rounded up for any partial month and (ii) the denominator of which is twelve (12) for the First RSU Installment and twenty-four (24) for the Second RSU Installment.[6]

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), any unvested portion of the RSUs shall be immediately forfeited.

(C) *Retirement.* Subject to Section (4)(d)(v) below, upon a Participant's Termination of Employment by reason of Retirement, a number of RSUs equal to the Pro Rata RSU Portion will become immediately vested as of the date of such Termination of Employment. Pro Rata RSU Portion has the meaning set forth in Section A.4(a) above. Upon a Participant's Termination of Employment by reason of Retirement, any unvested RSUs, other than the Pro Rata RSU Portion, shall be immediately forfeited.

---

4 If this formula results in any fractional RSU allocation to any RSU Installment, the number of RSUs in the First RSU Installment will be rounded up, and the number of RSUs in the Second RSU Installment will be rounded down, to the nearest whole RSU, so that only full RSUs are covered by each Installment.

5 For purposes of this Agreement, one calendar month is calculated from the date of measurement to the same or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2010 will elapse as of February 28, 2010, two months will elapse on March 31, 2010, as so on.

6 If this formula results in any fractional RSUs, the Pro Rata RSU Portion will be rounded up to the nearest whole RSU.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, all unvested RSUs will immediately vest as of the date of such Termination of Employment.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, any unvested portion of the RSUs shall be immediately forfeited.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons* . If a Participant who is eligible for Retirement, is, or would be, terminated by the Company without Cause, such participant shall be considered to have been terminated by the Company without Cause for purposes of this Agreement rather than having retired, but only if the Participant acknowledges, that absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered a retiree for purposes of any other program, plan or policy of the Company, for purposes of this Agreement, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(vi) *Change in Control* . Notwithstanding the foregoing and subject to Section 4 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control, but prior to the second anniversary of such Change in Control, any unvested portion of the RSUs will immediately vest as of the date of such Termination of Employment.

5. Potential Reduction in Payments Due to Excise Tax. In the event that a Participant becomes entitled to benefits under the 2010 LTIP, then such benefits, together with any payment or consideration in the nature of value or compensation to or for the Participant's benefit under any other agreement with or plan of Delta, shall be subject to reduction as set forth in Section 4(e) of the 2009 Delta Air Lines, Inc. Officer and Director Severance Plan, which relates to the excise tax under Section 4999 of the Code. Nothing in this Section 5 is intended to amend or modify the excise tax provisions applicable to any outstanding awards under the 2007 Performance Plan granted to a Participant, to the extent applicable, prior to October 20, 2009.

6. Definitions. For purposes of the 2010 LTIP, the following definitions are hereby modified as set forth below and will apply in lieu of the definitions set forth in the 2007 Performance Plan or as modified, as applicable.

(a) For purposes of the 2010 LTIP, " **Change in Control"** shall have the meaning set forth in the 2007 Performance Plan except that the merger of a subsidiary of Delta with and into Northwest Airlines Corporation on October 29, 2008 (the " **Merger** "), will not be considered a Change in Control.

(b) For purposes of the 2010 LTIP, " **Good Reason"** shall have the meaning set forth in the 2007 Performance Plan except: (i) any long-term award made to a Participant under the 2007 Performance Plan, (ii) any other equity-based awards or other incentive compensation awards made to a Participant by any of Delta (or any Affiliate) or Northwest (or any subsidiary) at or prior to the closing of the Merger, (iii) any retention payment or special travel benefits provided to a Participant as a result of his or her initial employment with Delta or any Affiliate and (iv) the elimination of post-retirement coverage under the Company's executive life insurance program, will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason under the 2010 LTIP. Furthermore, with respect to any Participant who was employed by Northwest or any subsidiary thereof immediately prior to the closing of the Merger, all compensation and benefit programs provided to such Participant prior to the Merger by Northwest or any subsidiary thereof, including, without limitation, the Participant's base salary, will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason under the 2010 LTIP.

(c) For purposes of the 2010 LTIP, " **Retirement** " means a Termination of Employment (other than for Cause or death) either: (i) on or after a Participant's 62 nd birthday provided that such Participant has completed at least 5 years service with the Company (or an Affiliate) or Northwest (or a subsidiary); or (ii) on or after a Participant's 52 nd birthday provided that such Participant has completed at least 10 years service with the Company (or an Affiliate) or Northwest (or a subsidiary).

7. Clawback. Notwithstanding anything to the contrary in the 2010 LTIP, if the Committee determines that a vice president or more senior officer level Participant has engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by the Participant, including, without limitation, any Award under the 2010 LTIP, with respect to fiscal periods materially affected by the restatement and may recover from the Participant all such incentive compensation to the extent that the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

EXHIBIT 10.15(b)

DELTA AIR LINES, INC. 2009 MANAGEMENT INCENTIVE PLAN RESTRICTED STOCK AWARD AGREEMENT

Date of this Agreement:
Grant Date:

[Name]

This Award Agreement (the " Agreement ") describes some of the terms of your award (the " Award ") under the Delta Air Lines, Inc. 2009 Management Incentive Plan (which is subject to the Delta Air Lines, Inc. 2007 Performance Compensation Plan) (the " 2009 MIP "). Your Award is subject to the terms of the 2009 MIP and this Agreement. Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the 2009 MIP. In order for this Award to remain effective, you must accept the Award in accordance with Section 9 below on or before the date that is 30 calendar days after the date of this Agreement (the " Acceptance Date "). If you do not accept the Award as required, the Award and this Agreement will become void and of no further effect as of 5:00 pm Eastern Time on the Acceptance Date.

1. **Summary of Award .** You are hereby awarded, on the Grant Date above (the " Grant Date "), Restricted Stock for [NUMBER] shares of Delta Common Stock, par value $0.0001 per share. Terms applicable to your Award, including the lapsing of the Restrictions on your Restricted Stock and the forfeitability of your Award, are included in the 2009 MIP.

2. **Restrictive Covenants .** In exchange for the Award, you hereby agree as follows:

(a) Trade Secrets . You hereby acknowledge that during the term of your employment with Delta Air Lines, Inc., its subsidiaries and affiliates (" Delta "), you have acquired and will continue to acquire knowledge of secret, confidential and proprietary information regarding Delta and its business that fits within the definition of "trade secrets" under the law of the State of Georgia, including, without limitation, information regarding Delta's present and future operations, its financial operations, marketing plans and strategies, alliance agreements and relationships, its compensation and incentive programs for employees, and the business methods used by Delta and its employees, and other information which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (each, a " Trade Secret "). You hereby agree that for so long as such information remains a Trade Secret as defined by Georgia law, you will hold in a fiduciary capacity for the benefit of Delta and shall not directly or indirectly make use of, on your own behalf or on behalf of others, any Trade Secret, or transmit, reveal or disclose any Trade Secret to any person, concern or entity. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting trade secrets.

(b) Confidential or Proprietary Information . You further agree that you will hold in a fiduciary capacity for the benefit of Delta, and, during the term of your employment with Delta and for the two year period after such employment terminates, shall not directly or indirectly use or disclose, any Confidential or Proprietary Information, as defined hereinafter, that you acquire (whether or not developed or compiled by you and whether or not you were authorized to have access to such Confidential or Proprietary Information) during the term of, in the course of, or as a result of your employment by Delta. Subject to the provisions set forth below, the term " Confidential or Proprietary Information " as used in this Agreement means the following secret, confidential and proprietary information of Delta not otherwise included in the definition of Trade

Secret: all marketing, alliance, advertising and sales plans and strategies; all pricing information; all financial, advertising and product development plans and strategies; all compensation and incentive programs for employees; all alliance agreements, plans and processes; all plans, strategies, and agreements related to the sale of assets; all third party provider agreements, relationships, and strategies; all business methods and processes used by Delta and its employees; all personally identifiable information regarding Delta employees, contractors, and applicants; and all lists of actual or potential customers or suppliers maintained by Delta. The term “Confidential or Proprietary Information” does not include information that has become generally available to the public by the act of one who has the right to disclose such information. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting confidential or proprietary information.

(c) Employee Non-Solicitation Agreement. During the term of your employment with Delta and during the one-year period following the termination of such employment, you will not directly or indirectly (on your own behalf or on behalf of any other person, company, partnership, corporation or other entity), employ or solicit for employment any individual who is a management or professional employee of Delta for employment with any entity or person other than Delta or solicit, encourage or induce any such person to terminate their employment with Delta. The restrictions set forth in this Section shall be limited to those Delta management or professional employees who: (i) were employed by Delta during your employment in a supervisory or administrative job; and (ii) with whom you had material professional contact during your employment with Delta.

(d) Non-Competition Agreement . You acknowledge that Delta competes in a worldwide passenger air travel market, and Delta’s business plan is increasingly international in scope. You also acknowledge that although Delta’s business plan focuses on international air travel as a growing and important component, domestic air travel service will continue to be critical to Delta’s success and will remain a primary focus of its overall air travel business. You acknowledge that the airlines listed below are particular competitors to Delta in the domestic or international market, and employment or consulting with any of the listed carriers would create more harm to Delta than relative to your possible employment or consulting with other air passenger carriers or air cargo carriers. You agree that the restrictions placed on you under this paragraph will not prevent you from earning a livelihood, given the large number of worldwide and domestic passenger and cargo air carriers not included in the list below. During the term of your employment with Delta and for the one-year period following the termination of such employment, you will not on your own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, provide the same or substantially similar services, as an employee, consultant, partner, or in any other capacity, to any of the following entities, which you hereby acknowledge are all competitors of Delta: AMR Corporation, American Airlines, Inc., Continental Airlines, Inc., Southwest Airlines Co., UAL Corporation, United Air Lines, Inc., US Airways Group, Inc., US Airways, Inc., JetBlue Airways Corporation, AirTran Holdings, Inc., or AirTran Airways, Inc. (individually and collectively, the “ Competitor ”). This restriction shall only apply to the extent that you may not provide services to the Competitor: (a) while working within a fifty (50) mile radius of the city limits of Atlanta, Georgia; or (b) while working out of or within a fifty (50) mile radius of the corporate headquarters or a major hub operation of the Competitor.

(e) Return of Property . You hereby agree that all property belonging to Delta, including records, files, memoranda, reports, personnel information (including benefit files, training records, customer lists, operating procedure manuals, safety manuals, financial statements, price lists and the like), relating to the business of Delta, with which you come in contact in the course of your employment (hereinafter " Delta's Materials ") shall, as between the parties hereto, remain the sole property of Delta. You hereby warrant that you shall promptly return all originals and copies of Delta's Materials to Delta at the time your employment terminates.

(f) Cooperation. You hereby agree that you shall, both during and after your employment with Delta, to the extent requested in writing and reasonable under the circumstances, cooperate with and serve in any capacity requested by Delta in any pending or future litigation in which Delta has an interest, and regarding which you, by virtue of your employment with Delta, have knowledge or information relevant to the litigation.

(g) Clawback . If you are an officer of Delta at or above the Vice President level, you hereby agree that if the Committee determines that you have engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by you, including, without limitation, your Award, with respect to fiscal periods materially affected by the restatement and may recover from you all such incentive compensation to the extent the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

3. Dispute Resolution .

(a) Arbitration. You hereby agree that except as expressly set forth below, all disputes and any claims arising out of or under or relating to the Award or this Agreement, including without limitation any dispute or controversy as to the validity, interpretation, construction, application, performance, breach or enforcement of this Agreement, shall be submitted for, and settled by, mandatory, final and binding arbitration in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association. Unless an alternative locale is otherwise agreed in writing by the parties to this Agreement, the arbitration shall be conducted in the City of Wilmington, Delaware. The arbitrator will apply Delaware law to the merits of any dispute or claim without reference to rules of conflicts of law. Any award rendered by the arbitrator shall provide the full remedies available to the parties under the applicable law and shall be final and binding on each of the parties hereto and their heirs, executors, administrators, successors and assigns and judgment may be entered thereon in any court having jurisdiction. You hereby consent to the personal jurisdiction of the state and federal courts in the State of Delaware, with venue in Wilmington, for any action or proceeding arising from or relating to any arbitration under this Agreement. The prevailing party in any such arbitration shall be entitled to an award by the arbitrator of all reasonable attorneys' fees and expenses incurred in connection with the arbitration. However, Delta will pay all fees associated with the American Arbitration Association and the arbitrator. All parties must initial here for this Section 3 to be effective:

___________[NAME]

___________Robert L. Kight—Vice President—Compensation, Benefits and Services Delta Air Lines, Inc.

(b) Injunctive Relief in Aid of Arbitration; Forum Selection. You hereby acknowledge and agree that the provisions contained in Section 2 of this Agreement are reasonably necessary to protect the legitimate business interests of Delta, and that any breach of any of these provisions will result in immediate and irreparable injury to Delta for which monetary damages will not be an adequate remedy. You further acknowledge that if any such provision is breached or threatened to be breached, Delta will be entitled to seek a temporary restraining order, preliminary injunction or other equitable relief in aid of arbitration in any court of competent jurisdiction without the necessity of posting a bond, restraining you from continuing to commit any violation of the covenants, and you hereby irrevocably consent to the jurisdiction of the state and federal courts of the State of Delaware, with venue in Wilmington, which shall have jurisdiction to hear and determine any claim for a temporary restraining order, preliminary injunction or other equitable relief brought against you by Delta in aid of arbitration.

(c) Consequences of Breach. Furthermore, you acknowledge that, in partial consideration for the Award described in the 2009 MIP and this Agreement, Delta is requiring that you agree to and comply with the terms of Section 2 and you hereby agree that without limiting any of the foregoing, should you violate any of the covenants included in Section 2 above, you will not be entitled to and shall not receive any Awards under the 2009 MIP and this Agreement and any outstanding Awards will be forfeited.

(d) Tolling **.** You further agree that in the event the enforceability of any of the restrictions as set forth in Section 2 of this Agreement are challenged and you are not preliminarily or otherwise enjoined from breaching such restriction(s) pending a final determination of the issues, then, if an arbitrator finds that the challenged restriction(s) is enforceable, the time period set forth in such Section shall be deemed tolled upon the filing of the arbitration or action seeking injunctive or other equitable relief in aid of arbitration, whichever is first in time, until the dispute is finally resolved and all periods of appeal have expired.

(e) Governing Law **.** Unless governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws of that State.

(f) Waiver of Jury Trial **. TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY MATTER ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS INCLUDES, WITHOUT LIMITATION, ANY DISPUTE CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN), OR ACTION OF DELTA OR YOU, OR ANY EXERCISE BY DELTA OR YOU OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING TO THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR DELTA TO ISSUE AND ACCEPT THIS AGREEMENT.**

4. Validity; Severability . In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such holding shall not affect any other provisions in this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

5. Authority of the Committee . You acknowledge and agree that the Committee has the sole and complete authority and discretion to construe and interpret the terms of the 2009 MIP and this Agreement. All determinations of the Committee shall be final and binding for all purposes and upon all persons, including, without limitation, you and Delta, and your heirs and successors. The Committee shall be under no obligation to construe this Agreement or treat the Award in a manner consistent with the treatment provided with respect to other Awards or Participants.

6 . Amendment . This Agreement may not be amended or modified except by written agreement signed by you and Delta.

7. Acknowledgement . By signing this Agreement: (a) you acknowledge that you have had a full and adequate opportunity to read this Agreement and you agree with every term and provision herein, including without limitation, the terms of Sections 2, 3, 4, and 5; (b) you acknowledge that you have received and had a full and adequate opportunity to read the 2009 MIP; (c) you agree, on behalf of yourself and on behalf of any designated beneficiary and your heirs, executors, administrators and personal representatives, to all of the terms and conditions contained in this Agreement and the 2009 MIP; and (d) you consent to receive all material regarding any awards under the 2009 MIP, including any prospectuses, electronically with an e-mail notification to your work e-mail address.

8. Entire Agreement . This Agreement, together with the 2009 MIP (the terms of which are made a part of this Agreement and are incorporated into this Agreement by reference), constitute the entire agreement between you and Delta with respect to the Award.

9. Acceptance of this Award . If you agree to all of the terms of this Agreement and would like to accept this Award, you must sign and date the Agreement where indicated below and, if you do not accept this Award electronically, return an original signed version of this Agreement to Mary Steele, either by hand or by mail to Department 936, P.O. Box 20706, Atlanta, Georgia 30320, as set forth on page 1 of this Agreement. If you have any questions regarding how to accept your Award, please contact Ms. Steele at (404) 715-6333. Delta hereby acknowledges and agrees that its legal obligation to make the Award to you shall become effective when you sign this Agreement.

10. Electronic Signature . All references to signatures and delivery of documents in this Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the 2009 MIP.

You and Delta, each intending to be bound legally, agree to the matters set forth above by signing this Agreement, all as of the date set forth below.

DELTA AIR LINES, INC.

By: ______________________________
Name: Robert L. Kight
Title: Vice President Compensation, Benefits and Services

PARTICIPANT

____
[NAME]

____
Date:

Exhibit 10.17

DELTA AIR LINES, INC.
2010 MANAGEMENT INCENTIVE PLAN

1. Purpose. The 2010 Management Incentive Plan (the " **MIP** ") is an annual incentive program sponsored by Delta Air Lines, Inc. (" **Delta** " or the " **Company** ") that is intended to: (a) closely link pay and performance by providing management employees with a compensation opportunity based on Delta's achieving key business plan goals in 2010; and (b) align the interests of management employees with the Company's other employees and stakeholders. The MIP is being adopted under, and is subject to the terms of, the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the " **2007 Plan** "). Capitalized terms that are used but not defined in the MIP shall have the meaning ascribed to them in the 2007 Plan.

2. Plan Administration . (a) The Personnel & Compensation Committee of the Board of Directors (the " **Committee** ") shall be responsible for the general administration and interpretation of the MIP and for carrying out its provisions. The Committee shall have such powers as may be necessary to discharge its duties hereunder, including, without limitation, the following powers and duties, but subject to the terms of the MIP:

(i) authority to construe and interpret the terms of the MIP, and to determine eligibility, awards and the amount, manner and time of payment of any awards hereunder;

(ii) authority to prescribe forms and procedures for purposes of MIP participation and distribution of awards;

(iii) authority to adopt rules and regulations and to take such actions as it deems necessary or desirable for the proper administration of the MIP; and

(iv) authority at any time prior to a Change in Control to eliminate or reduce the actual payout to any Participant in the MIP. [1]

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the MIP shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

(c) Notwithstanding anything contained in the 2007 Plan to the contrary, the Committee shall not have the authority to increase the actual payout to any Participant in the MIP.

3. Eligibility. All Delta employees worldwide who are officers, managing directors, directors, grade 11, grade 10 or grade 8 (other than employees who participate in a sales incentive plan) are eligible to participate in the MIP (" **Participants** ").

4. MIP Awards.

---

[1] For purposes of the MIP, the merger of a subsidiary of Delta with and into Northwest Airlines Corporation on October 29, 2008 shall not be considered a Change in Control.

(a) *General.* The MIP award (the " **MIP Award** ") each Participant receives, if any, will be based on: (i) the Participant's Target MIP Award, as defined below; (ii) the level of achievement within each applicable performance measure; and (iii) the occurrence of a payout for 2010 under the Company's broad-based employee profit sharing program (the " **Profit Sharing Program** "), as described below. Certain additional requirements will apply to any Participant who is employed by the Company as an executive vice president or more senior officer or holds the position of general counsel or chief financial officer of the Company (" **Executive Officer Participant** "), as discussed in Section 7(b) below.

(b) *Performance Measures* . The performance measures used will be one or more of financial (" **Financial Performance** "), operational (" **Operational Performance** "), merger integration (" **Merger Integration Performance** "), leadership effectiveness (" **Leadership Effectiveness Performance** ") and individual performance (" **Individual Performance** "). Achievement under each performance measure may range from below threshold, at which there is no payout, to the maximum performance level, at which the payout will be greater than the target level, subject to Section 4(c) below.

(c) *Interaction with Profit Sharing Program.* If there is no payout under the Profit Sharing Program for 2010, (i) no amount will be paid with respect to Financial Performance to any Participant regardless of whether Delta meets or exceeds that performance measure and (ii) the actual MIP Award, if any, will not exceed the Participant's Target MIP Award (as defined below).

(d) *Target MIP Awards.* The Target MIP Award for each Participant will be expressed as a percentage of the Participant's Annual Base Salary (the " **Target MIP Award** ") as determined by the Committee and will be communicated to Participants in such manner as the Committee deems appropriate. Subject to Section 8 below, " **Annual Base Salary"** means the Participant's 2010 annual base salary as in effect on December 31, 2010.

5. Weighting of Performance Measures. Subject to Section 8 below, a percentage of each Participant's Target MIP Award is allocated to one or more of Financial Performance, Operational Performance, Merger Integration Performance, Leadership Effectiveness Performance and/or Individual Performance based on the Participant's employment level, as follows:

Performance Measures and Weighting

Employment Level (A)	% of Target MIP Award allocated to Financial Performance (B)	% of Target MIP Award allocated to Operational Performance (C)	% of Target MIP Award Allocated to Merger Integration Performance (D)	% of Target MIP Award allocated to Leadership Effectiveness Performance (E)	% of Target MIP Award allocated to Individual Performance (F)
CEO	33%	33%	34%	0%	0%
President	33%	33%	34%	0%	0%
COO	33%	33%	34%	0%	0%
EVP	33%	33%	34%	0%	0%
CFO and General Counsel	33%	33%	34%	0%	0%
SVP	30%	30%	30%	10%	0%
VP	30%	30%	30%	10%	0%
Managing Director	30%	30%	0%	0%	40%
Director	30%	30%	0%	0%	40%
Grade 11	25%	25%	0%	0%	50%
Grade 10	0%	0%	0%	0%	100%
Grade 8	0%	0%	0%	0%	100%

6. The Performance Measures—Threshold, Target and Maximum Payout Levels. The Target MIP Award, and the amounts paid in connection with target levels of Financial, Operational, Merger Integration, Leadership Effectiveness, and Individual Performance, are based on the achievement of the target performance level with respect to each applicable performance measure (except that Financial Performance also requires a payout under the Profit Sharing Program for 2010). A Participant's actual MIP Award may be greater or less than the target amount based on whether performance under one or more of the performance measures applicable to the Participant exceeds or is below target performance, subject to Section 4(c) above. This is explained in more detail below.

(a) *Financial Performance Measures* . The Financial Performance measures for 2010 are based on Delta's Pre-Tax Income, as defined below. The following table describes the performance ranges and award payout levels for 2010 Financial Performance, subject to Section 4(c) above:

	Threshold	Target	Maximum
% of Target Financial Performance Measure Paid	*50 %*	*100 %*	*200 %*
Required 2010 Pre-Tax Income	$328 million	$489 million	$650 million

Payouts will be straight-line interpolated when Pre-Tax Income results fall above Threshold and below Target or above Target and below Maximum.

“Pre-Tax Income” will be the amount of Pre-Tax Income, if any, determined under the Profit Sharing Program for 2010. [2]

(b) *Operational Performance Measures.* The Operational Performance measures for 2010 are based on both Delta and Delta Connection operational performance, with (i) Delta’s operational performance accounting for 75% of the measure and (ii) Delta Connection performance accounting for 25% of the measure. Delta’s Operational Performance is based on the number of times during 2010 that Delta meets or exceeds its monthly goals under the broad-based employee shared rewards program (the “ **Shared Rewards Program** ”). Delta Connection’s Operational Performance is based on the number of times during 2010 that the Delta Connection carriers meet or exceed their monthly operational goals for (x) completion factor and (y) on-time performance (the “ **Delta Connection Goals** ”). The Delta Connection Goals and the methodology for determining whether these goals are met are described in **Exhibit A** hereto. The following table describes the performance ranges and award payout levels for 2010 Operational Performance, subject to Section 4(c) above:

---

2 The Profit Sharing Program for 2010 defines “Pre-Tax Income” as follows: for any calendar year, the Company’s consolidated pre-tax income calculated in accordance with Generally Accepted Accounting Principles in the United States and as reported in the Company’s public securities filings but excluding: (a) all asset write downs related to long term assets, (b) gains or losses with respect to employee equity securities, (c) gains or losses with respect to extraordinary, one-time or non-recurring events (including without limitation one-time transition or integration costs incurred in connection with the merger of the Company and Northwest Airlines Corporation during the two year period following the merger), and (d) expense accrued with respect to the profit sharing plan.

	Below Threshold	Threshold	Target	Maximum
Shared Rewards Program				
% of Target Payout for this Performance Measure (75% Weighting)	*0 %*	*37.50 %*	*75 %*	*150 %*
Number of monthly Shared Rewards Program goals actually met during 2010	15 or less	16	21	26 or more
Delta Connection Goals				
% of Target Payout for this Performance Measure (25% Weighting)	*0 %*	*12.50 %*	*25 %*	*50 %*
Number of Delta Connection Goals actually met during 2010	8 or less	9	14	19 or more

Payouts based on the Shared Rewards Program and Delta Connection Goals will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum.

(c) *Merger Integration Performance Measures.* The Merger Integration Performance measures for 2010 will be measured based on the achievement of quantifiable synergies as a result of the merger of a wholly owned subsidiary of Delta with and into Northwest Airlines Corporation on October 29, 2008 (the " **Merger** "), including, without limitation, expense reductions (including a decrease in cost per available seat mile); an increase in revenue or revenue growth (including an increase in revenue per available seat mile); and productivity and process improvement. Company management will periodically report to the Company's Board of Directors regarding Merger synergies. The following table describes the performance ranges and award payout levels for 2010 Merger Integration Performance, subject to Section 4(c) above:

	Below Threshold	Threshold	Target	Maximum
% of Target Merger Integration Measure Paid	*0 %*	*50 %*	*100 %*	*200 %*
Quantifiable Merger Synergies	Less than $1,434 million	$1,434 million	$1,600 million	$1,766 million

Payouts based on Merger Integration Performance will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum.

(d) *Leadership Effectiveness Performance Measure* . The Leadership Effectiveness Performance measure (applicable to Participants who are Vice Presidents or Senior Vice Presidents (other than any Executive Officer Participants) for 2010 will be based on an evaluation of whether a Participant has demonstrated leadership attributes and results during 2010 including, among other things, supporting diversity, providing talent management, meeting financial budget, and being a role model for the Rules of the Road.

The performance ranges and award payout levels will be determined by the Committee, subject to Section 4(c) above.

(e) *Individual Performance Measure.* The Individual Performance measure (applicable to Participants who are not officers) is generally determined by each Participant's Leader Performance Management evaluation (" **LPM** ") at the end of 2010. The performance ranges and award payout levels will be determined by the Committee, subject to Section 4(c) above.

7. Timing of Award Payments.

(a) *In General.* Subject to Sections 7(b) and 8(a) below, any payouts to a Participant under the MIP for 2010 will be made in cash, as soon as practicable after (i) the Committee certifies the achievement of the required Financial Performance, Operational Performance and Merger Integration Performance results and (ii) where applicable, Leadership Effectiveness Performance results have been determined and an LPM evaluation has been completed, but in no event later than March 15, 2011, unless it is administratively impracticable to do so, and such impracticability was unforeseeable at the end of 2010, in which case such payment shall be made as soon as administratively practicable after March 15, 2011. Further, unless a payout for 2010 under the Profit Sharing Program occurs after March 15, 2011, any payout under the 2010 MIP will not be made prior to a payout for 2010 under the Profit Sharing Program; *provided, however* , if it is determined there will be no payout for 2010 under the Profit Sharing Program, any MIP Awards that are payable based on Operational Performance, Merger Integration Performance, Leader Effectiveness Performance or Individual Performance will be paid as soon as practicable thereafter, but in no event later than March 15, 2011, unless it is administratively impracticable to do so, and such impracticability was unforeseeable at the end of 2010, in which case such payment shall be made as soon as administratively practicable after March 15, 2011.

(b) *Executive Officer Participants.* Payouts under the MIP to Participants who, as of December 31, 2010, are Executive Officer Participants will be subject to the following terms and conditions:

(i) Payment in Restricted Stock . If there is no payout under the Profit Sharing Program for 2010, any payout under the MIP to an Executive Officer Participant will be made in shares of Restricted Stock rather than in cash, with the number of shares of Restricted Stock being equal to the result of the following formula (" **MIP Restricted Stock** "): A ÷ B, where [3] :

A = the amount of the payout to the Executive Officer Participant under the MIP had the payout been made in cash; and

B = the closing price of a Share on the New York Stock Exchange on the later of (1) the date that the Committee approves the payouts, if any, to the Executive Officer Participants under the MIP following the Committee's certification of the achievement of the required performance measures as described in Section 7(a) and (2) the third business day following the date on

---

3 If this formula results in any fractional share, the MIP Restricted Stock will be rounded up to the nearest whole share.

which the Company publicly announces its annual financial results if this date is scheduled in the same month that the Committee approves such payouts, if any.

(ii) Lapsing of Restrictions; Forfeiture . Until the restrictions imposed by this Section 7(b)(ii) (the " **Restrictions** ") have lapsed pursuant to the terms below, an Executive Officer Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the MIP Restricted Stock and the MIP Restricted Stock will be subject to forfeiture as set forth below.

(A) The Restrictions shall lapse and be of no further force or effect on the earlier of the date (1) there is a payout under the Profit Sharing Program unless, prior to such payout, the Executive Officer Participant incurs a Disqualifying Termination of Employment or (2) an Executive Officer Participant incurs a Qualifying Termination of Employment. The MIP Restricted Stock will be immediately forfeited if, prior to the lapsing of the Restrictions, the Executive Officer Participant incurs a Disqualifying Termination of Employment.

(B) " **Disqualifying Termination of Employment** " means an Executive Officer Participant's Termination of Employment by the Company for Cause.

(C) " **Qualifying Termination of Employment** " means an Executive Officer Participant's Termination of Employment (1) by the Company without Cause; or (2) due to death or Disability.

(D) For purposes of this Section 7(b)(ii), if an Executive Officer Participant incurs a Termination of Employment by reason of (1) a voluntary resignation (including the Termination of Employment by the Participant if he is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate); or (2) Retirement, the Restrictions shall lapse and be of no further force or effect on the date there is a payout under the Profit Sharing Program as if such Executive Officer Participant's employment had continued through such date.

(E) For purposes of the MIP, " **Retirement** " means a Termination of Employment (other than for Cause or death) either: (1) on or after a Participant's 62 nd birthday provided that such Participant has completed at least 5 years service with the Company (or an Affiliate) or Northwest (or a subsidiary); or (2) on or after a Participant's 52 nd birthday provided that such Participant has completed at least 10 years service with the Company (or an Affiliate) or Northwest (or a subsidiary).

(iii) Dividends . In the event a cash dividend shall be paid in respect of Shares at a time the Restrictions on the MIP Restricted Stock have not lapsed, the Participant shall be eligible to receive the dividend upon the lapse of the Restrictions. The Restrictions shall apply to any such dividend.

(iv) 2007 Plan; Written Notice . The MIP Restricted Stock will otherwise be subject to the terms of the 2007 Plan. In the event any Executive Officer Participant's MIP Award is converted to MIP Restricted Stock, such Participant will receive a written notice of such conversion with the details thereof as soon as practicable after the MIP Payment Date.

8. Change in Employment Status.

(a) **Termination of Employment** .

(i) *A Termination Event in 2010—General.* Except as expressly set forth in this Section 8, in the event a Participant's employment with Delta terminates for any reason prior to the end of the workday on December 31, 2010, such Participant will be ineligible for any award under the MIP. In other words, if a Participant is employed according to Company records through the end of the workday on December 31, 2010, the Participant will be eligible for any award earned under the MIP for 2010, including, if applicable, MIP Restricted Stock.

(ii) *Termination on or after January 1, 2011.* Subject to Section 7(b) above, a Participant who incurs a Termination of Employment for any reason other than for Cause on or after January 1, 2011 will remain eligible for any unpaid MIP Award, which award will be paid according to the terms of Section 7(a) above. A Participant who is terminated by the Company for Cause on or after January 1, 2011 will forfeit any unpaid MIP Award.

(iii) *Pro Rata MIP Payment.*

(A) *Death, Disability or Retirement* . This Section 8(a)(iii)(A) applies to any Participant who incurs a Termination of Employment prior to January 1, 2011 due to the Participant's death, Disability or Retirement (as such term is defined in Section 7(b)(ii)(D)). Subject to the Participant's execution of a waiver and release of claims in a form and manner satisfactory to the Company, such Participant, or his estate, will be eligible to receive a MIP Award based on an adjusted annual base salary amount, but otherwise in the same manner, to the same extent and at the same time as the Participant would have received such MIP Award if such Participant's employment had continued through December 31, 2010 (*i.e.* , based on achievement of applicable performance measures). The most recent LPM prior to the Termination of Employment will generally apply to the Individual Performance measure, if any, applicable to the Participant. The Participant's Annual Base Salary will be the result of the following formula: X × Y/12, where:

X = the Participant's annual base salary as in effect as of the date of Termination of Employment; and

Y = the number of calendar months the Participant was actively employed by Delta during 2010 in a MIP-eligible position, rounded up for any partial month.

---

4 For purposes of the MIP, one calendar month is calculated from the date of measurement to the same

(B) *Termination of Employment Without Cause or Resulting in Benefits under the Severance Plan* .

(1) In General . This Section 8(a)(iii)(B)(1) applies to any Participant (other than an Executive Officer Participant) who incurs a Termination of Employment prior to January 1, 2011 due to either (I) a Termination of Employment by the Company without Cause, or (II) for any other reason that entitles such Participant to benefits under the Delta Air Lines, Inc. 2007 or 2009 Officer and Director Severance Plan (the " **Severance Plan** "). Subject to the Participant's execution of a waiver and release of claims in a form and manner satisfactory to the Company, such Participant will be eligible to receive a Pro Rata MIP Payment made in cash as soon as practicable after a Participant's Termination of Employment, but in no event later than 2 $^1/_2$ months following the end of the year in which the Termination of Employment occurs. " **Pro Rata MIP Payment"** means the result of the following formula: W × Z/12, where:

W = the Participant's Target MIP Award; and

Z = the number of calendar months the Participant was actively employed by Delta during 2010 in a MIP-eligible position, rounded up for any partial month.

(2) Executive Officer Participants . This Section 8(a)(iii)(B)(2) applies to any Executive Officer Participant who incurs a Termination of Employment prior to January 1, 2011 due to either (I) a Termination of Employment by the Company without Cause, or (II) for any other reason that entitles such Executive Officer Participant to benefits under the Severance Plan. Subject to the Executive Officer Participant's execution of a waiver and release of claims in a form and manner satisfactory to the Company, such Executive Officer Participant will be eligible to receive a MIP Award based on an adjusted annual base salary amount, but otherwise in the same manner, to the same extent and at the same time as the Executive Officer Participant would have received such MIP Award if such Executive Officer Participant's employment had continued through December 31, 2010 (*i.e.* , based on achievement of applicable performance measures). The Executive Officer Participant's Annual Base Salary will be determined in accordance with the formula set forth in Section 8(a)(iii)(A).

---

or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2010 will elapse as of February 28, 2010, two months will elapse on March 31, 2010, and so on.

(b) **Other Changes in Employment Status** . The terms of this Section 8(b) shall apply to circumstances involving new hires, promotions, demotions, transfers or leaves of absence during 2010. After a Participant's Target MIP Award is determined under this Section 8(b), the appropriate weighting of performance measures will apply to each portion of such Target MIP Award as set forth in Section 5 above. For partial calendar months, the change in employment status will be considered effective as of the 1 st day of the month in which there is a change in status. The end of year LPM will apply to any Individual Performance measure applicable to the Participant unless the Participant is no longer subject to the LPM process after the change in employment status, in which case the most recent LPM will apply. Any MIP Awards payable under this Section 8(b) will be paid at the same time and in the same manner as such awards are paid to active Participants, subject to Section 7(b) above.

(i) *New Hires.* With respect to any individual who becomes employed by Delta as a grade 8 or any more senior MIP-eligible position during 2010 but after January 1, 2010, such individual will be a Participant in the MIP and will be eligible to receive an award under the MIP for 2010; *provided,* that such Participant's Annual Base Salary will be the result of the following formula: X × Y/12, where:

X = the Participant's annual base salary as of December 31, 2010; and

Y = the number of calendar months the Participant was actively employed by Delta in a MIP-eligible position during 2010, rounded up for any partial month.

(ii) *Promotions.* Participants who are either promoted into a MIP-eligible job level or promoted into a higher level of MIP participation during 2010 will have their Target MIP Award calculated based on their annual base salary at each MIP-eligible job level (measured as of the date immediately prior to the date the promotion is considered effective for purposes of the MIP, if applicable, as described in the first paragraph of Section 8(b) above, and as of December 31, 2010) and the number of calendar months they were employed in each such capacity, multiplied by the relevant total target award percentage applicable to their position or positions during the relevant period.

(iii) *Demotions.* Participants who are either demoted to a position that is not eligible to participate in the MIP or demoted to a lower level of MIP participation during 2010 will have their Target MIP Award calculated based on their annual base salary at each MIP-eligible job level (measured as of the date immediately prior to the date the demotion is considered effective for purposes of the MIP, as described in the first paragraph of Section 8(b) above, and, if applicable, as of December 31, 2010) and the number of calendar months they were employed in each such capacity, multiplied by the relevant total target award percentage applicable to their position or positions during the relevant period.

(iv) *Transfers and Leaves of Absence.* In the event that during 2010 a Participant transfers employment from Delta to a Delta subsidiary or affiliate that does not participate in the MIP, other than a transfer to the Delta Community Credit Union (the " **DCCU** "), the Participant will forfeit any eligibility for an award under the MIP. Except as provided under Section 8(b)(v) below, any Participant who goes on any type of leave or who transfers to the DCCU at any time during 2010 will have his Target MIP Award calculated based on his annual base salary (measured as of the date immediately prior to the date the transfer or leave is considered effective for purposes of the MIP) and the number of calendar months he was employed in a MIP-eligible position during 2010, multiplied by the relevant total target award percentage applicable to his MIP-eligible position.

(v) *Military Leave*. In the event that at any time during 2010 a Participant is on a Military Leave of Absence, his or her Annual Base Salary shall be equal to the aggregate annual base salary the Participant received from Delta during 2010 plus any amount of base salary such Participant would have received had he or she been actively employed by Delta in any corresponding MIP-eligible position during such leave. **"Military Leave of Absence** " means a Participant's absence from his or her position of employment at any time during 2010 because of service in the uniformed services, as defined under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (" **USERRA** "); *provided,* that a Participant must provide the Company appropriate evidence that his or her absence was due to service in the uniformed services and the period of such service in order to be considered to be on a Military Leave of Absence for purposes of the MIP. For purposes of the MIP, any Participant who is absent due to military service (according to Delta's records) as of December 31, 2010 and has been on such leave for a cumulative period (during the period he or she has been employed by Delta) of five years or less, will be presumed to be on a Military Leave of Absence. Any Participant who is similarly absent due to military service (based on Delta's records) and who has been on such leave for a period of more than five years will not be considered to be on a Military Leave of Absence until he or she provides appropriate evidence that he or she is entitled to an exception to the five-year limit on uniformed service as set forth in USERRA.

9. Treatment of Payments Under Benefit Plans or Programs . MIP payments, which for an Executive Officer Participant who receives MIP Restricted Stock means the amount of the payout to the Executive Officer Participant under the MIP had the payout been made in cash, will be considered as earnings under any benefit plan or program sponsored by Delta only to the extent such payments are included as earnings under the terms of the specific plan or program; *provided* , *however* , that any MIP payment made to an Executive Officer Participant in MIP Restricted Stock will be considered as earnings only for purposes of the Company's restoration payment program, as in effect from time to time. If such payments are included, unless otherwise provided in such plan or program, participants will be eligible to contribute amounts paid under the MIP into such plans in the same manner and to the same extent as their ordinary compensation and any amounts so contributed will be subject to any applicable Company contributions and/or matches. Notwithstanding anything to the contrary in this Section 9, any MIP payment received in connection with a Termination of Employment shall not be considered earnings under any benefit plan or program sponsored by Delta.

10. Effective Date. The MIP will become effective as of January 1, 2010; ***provided however,*** if on or before the date the Committee adopts the MIP any employee who would otherwise have participated in the MIP is informed that his or her employment will be terminated by the Company without Cause, any severance such employee is entitled to receive will be calculated based on the 2009 Management Incentive Plan as in effect as of December 31, 2009.

11. Amendment. Except as otherwise expressly set forth in this Section, the terms of Section 14 of the 2007 Plan shall apply to any amendment or termination of the MIP. In addition, the terms applicable to any Participant will be subject in their entirety to the terms of any offer letter or other document to which the Participant has agreed. The terms of such offer letter or other document, if contrary to the terms of the MIP, shall govern the rights of the corresponding Participant.

12. Fractions. Any calculation under the MIP that results in a fractional amount will be rounded up to two decimal points.

13. Section 409A of the Code. Notwithstanding anything to the contrary in the MIP, to the extent that any amount paid hereunder in connection with a Termination of Employment constitutes deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (together, " **Section 409A** ") and is paid to a "specified employee" as defined in Section 409A, the payment of such amount will be delayed for six months.

14. Clawback. Notwithstanding anything to the contrary in the MIP, if the Committee determines that a vice president or more senior officer level Participant has engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by such Participant, including, without limitation, any MIP Award, with respect to fiscal periods materially affected by the restatement and may recover from the Participant all such incentive compensation to the extent that the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

EXHIBIT A— *DELTA CONNECTION GOALS:*

Delta Connection's Operational Performance will be based on the number of times during 2010 that the group of Delta Connection carriers meets or exceeds its monthly operational goals for completion factor and on-time arrival performance (the " **Delta Connection Goals** "). The 24 monthly Delta Connection Goals are included on the following tables:

Month in 2010	Completion Factor 2010 Goal	On-Time Arrival Performance 2010 Goal
January	97.3%	77.2%
February	97.5%	78.0%
March	97.9%	79.3%
April	98.2%	81.9%
May	98.8%	84.6%
June	97.7%	78.9%
July	97.7%	77.5%
August	97.8%	78.9%
September	98.6%	85.2%
October	98.9%	84.5%
November	98.9%	85.2%
December	97.3%	75.4%
Total	98.1%	80.5%

A. The primary source of reported metrics used to calculate performance will be performance reports provided by each Delta Connection carrier on a daily basis and validated by Delta Connection Performance Management.

B. All domestic and international Delta Connection carrier system operations subject to capacity purchase agreements and/or revenue proration agreements will be included in the performance measures, including the operations of ASA, Chautauqua, Comair, Compass, Freedom, Mesaba, Pinnacle, SkyWest and Shuttle America, but excluding any revenue proration operations with respect to which passenger reservations are not reflected on Delta's reservations system (the " **Delta Connection Program** "). In the event that a carrier enters or leaves the Delta Connection Program, that carrier's operations will be included or excluded from the performance measures as applicable.

C. The monthly calculation for completion factor will be as follows:

1. Add all Delta Connection scheduled system operations for the month.

2. Add all Delta Connection system completed flights for the month (including flights canceled by one carrier and covered by another via an extra section, which also includes flights changed to Delta or Northwest aircraft).

3. Divide the result of C.2 by the result of C.1 for a combined Delta Connection system completion factor.

D. The monthly calculation for on-time performance will be as follows:

1. Add all Delta Connection completed system operations for the month.

2. Add all Delta Connection system on time operations for the month. On time operations are defined as the number of flights that arrive at the scheduled destination within 15 minutes of the scheduled arrival time.

3. Divide the result of D.2 by the result of D.1 for a combined Delta Connection system on-time performance measure.

E. All calculations will be performed and validated by Delta Connection Performance Management.

Exhibit 12.1

Delta Air Lines, Inc.
Computation of Ratio of Earnings to Fixed Charges [1]

(in millions, except for ratio data)	Successor: Year Ended December 31, 2009 [2]	Successor: Year Ended December 31, 2008 [3]	Successor: Eight Months Ended December 31, 2007	Predecessor: Four Months Ended April 30, 2007 [4]	Predecessor: Year Ended December 31, 2006 [5]	Predecessor: Year Ended December 31, 2005 [6]
(Loss) earnings:						
(Loss) earnings before income taxes	$ (1,581)	$ (9,041)	$ 525	$ 1,294	$ (6,968)	$ (3,859)
Add (deduct):						
Fixed charges from below	1,416	805	432	285	970	1,274
Capitalized interest	(12)	(23)	(8)	(3)	(8)	(9)
(Loss) earnings as adjusted	$ (177)	$ (8,259)	$ 949	$ 1,576	$ (6,006)	$ (2,594)
Fixed charges:						
Interest expense, including capitalized amounts and amortization of debt costs	1,290	728	398	265	878	1,041
Preference security dividend		—	—	—	2	18
Portion of rental expense representative of the interest factor	126	77	34	20	90	215
Fixed charges	$ 1,416	$ 805	$ 432	$ 285	$ 970	$ 1,274
Ratio of earnings to fixed charges [7]	(0.13)	(10.26)	2.20	5.53	(6.19)	(2.04)

(1) References to "Successor" refer to Delta on or after May 1, 2007, after giving effect to (1) the cancellation of Delta common stock issued prior to the effective date of Delta's emergence from bankruptcy on April 30, 2007; (2) the issuance of new Delta common stock and certain debt securities in accordance with Delta's Joint Plan of Reorganization; and (3) the application of fresh start reporting. References to "Predecessor" refer to Delta prior to May 1, 2007.

(2) Includes (a) $407 million in restructuring and merger-related charges associated with (i) integrating the operations of Northwest into Delta, including costs related to information technology, employee relocation and training, and re-branding of aircraft and stations and (ii) employee workforce reduction programs and (b) an $83 million non-cash loss for the write-off of the unamortized discount on the extinguishment of the Northwest senior secured exit financing facility. Additionally, interest expense includes $370 million in net debt discount amortization primarily as a result of adjusting our debt and capital lease obligations to fair value in purchase accounting upon our merger with Northwest.

(3) Includes a $7.3 billion non-cash charge from an impairment of goodwill and other intangible assets and $1.1 billion in primarily non-cash merger-related charges relating to the issuance or vesting of employee equity awards in connection with our merger with Northwest.

(4) Includes a $1.2 billion non-cash gain for reorganization items.

(5) Includes a $6.2 billion non-cash charge for reorganization items and a $310 million non-cash charge associated with certain accounting adjustments.

(6) Includes an $888 million charge for restructuring, asset writedowns, pension settlements and related items, net and an $884 million non-cash charge for reorganization items.

(7) For the years ended December 31, 2009, 2008, 2006 and 2005, earnings were not sufficient to cover fixed charges by $1.6 billion, $9.1 billion, $7.0 billion and $3.9 billion, respectively.

EXHIBIT 21.1

SUBSIDIARIES OF DELTA AIR LINES, INC.
AS OF DECEMBER 31, 2009

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
Aero Assurance Ltd.	Vermont
Cardinal Insurance Company (Cayman) Ltd.	Cayman Islands
Comair, Inc.	Ohio
Comair Holdings, LLC	Delaware
Comair Services, Inc.	Kentucky
Compass Airlines, Inc.	Delaware
Crown Rooms, Inc.	New York
DAL Global Services, LLC	Delaware
DAL Moscow, Inc.	Delaware
Delta AirElite Business Jets, Inc.	Kentucky
Delta Air Lines, Inc. and Pan American World Airways,Inc.—Unterstutzungskasse GMBH	Germany
Delta Air Lines Dublin Limited	Ireland
Delta Air Lines Private Limited	India
Delta Benefits Management, Inc.	Delaware
Delta Loyalty Management Services, LLC	Delaware
Epsilon Trading, LLC	Delaware
Kappa Capital Management, LLC	Delaware
Mesaba Aviation, Inc.	Minnesota
MLT Inc.	Minnesota
Montana Enterprises, Inc.	Montana
New Sky, Ltd.	Bermuda
Northwest Aerospace Training Corporation	Delaware
Northwest Airlines, LLC	Delaware
NW Red Baron LLC	Delaware
NWA Fuel Services Corporation	New York
NWA Real Estate Holding Company LLC	Delaware
NWA Worldclub, Inc.	Wisconsin
Regional Elite Airline Services, LLC	Delaware
Segrave Aviation, Inc.	Minnesota
Tomisato Shoji Kabushiki Kaisha	Japan

None of Delta's subsidiaries do business under any names other than their corporate names, with the following exceptions:

- Comair, Inc. conducts business as Comair South, Inc. in the following states: Florida and Alabama.
- MLT Inc. conducts business as MLT Vacations Inc.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement No. 333-142424 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,

(2) Registration Statement No. 333-149308 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,

(3) Registration Statement No. 333-154818 on Form S-8 pertaining to Delta Air Lines, Inc. 2007 Performance Compensation Plan, and

(4) Registration Statement No. 333-151060 on Form S-8 pertaining to Northwest Airlines Corporation 2007 Stock Incentive Plan;

of our reports dated February 24, 2010, with respect to the consolidated financial statements of Delta Air Lines, Inc., and the effectiveness of internal control over financial reporting of Delta Air Lines, Inc. included in this Annual Report (Form 10-K) of Delta Air Lines, Inc. for the year ended December 31, 2009.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 24, 2010

Exhibit 31.1

I, Richard H. Anderson, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. (“Delta”) for the fiscal year ended December 31, 2009;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;

4. Delta’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of Delta’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in Delta’s internal control over financial reporting that occurred during Delta’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta’s internal control over financial reporting; and

5. Delta’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta’s auditors and the Audit Committee of Delta’s Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta’s internal control over financial reporting.

February 24, 2010

/s/ Richard H. Anderson
Richard H. Anderson
Chief Executive Officer

Exhibit 31.2

I, Hank Halter, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. (“Delta”) for the fiscal year ended December 31, 2009;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;

4. Delta’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of Delta’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in Delta’s internal control over financial reporting that occurred during Delta’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta’s internal control over financial reporting; and

5. Delta’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta’s auditors and the Audit Committee of Delta’s Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta’s internal control over financial reporting.

February 24, 2010

/s/ Hank Halter
Hank Halter
Senior Vice President and
Chief Financial Officer

Exhibit 32

February 24, 2010

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the Annual Report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the fiscal year ended December 31, 2009 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Senior Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Richard H. Anderson
Richard H. Anderson
Chief Executive Officer

/s/ Hank Halter
Hank Halter
Senior Vice President and
Chief Financial Officer