DELTA AIR LINES INC /DE/
Form 10-K
February 24, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

þ **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

o **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	**58-0218548**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Post Office Box 20706	
Atlanta, Georgia	**30320-6001**
(Address of principal executive offices)	**(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 þ No o

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 o No þ

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 þ No o

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 o No o

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. o

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 þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

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 þ No o

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.

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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.

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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.

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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.

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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.

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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.

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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).

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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.

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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

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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.

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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.

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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.

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ITEM 2. PROPERTIES

Flight Equipment

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

	Current Fleet				
Aircraft Type	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.

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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.

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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.

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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.

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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.

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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)
	$ (1,237)	$ (8,922)	$ 314	$1,298	$ (6,205)	$ (3,836)

Net (loss) income attributable to common stockholders						
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)

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(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				