DELTA AIR LINES INC /DE/

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

Filed 09/27/00 for the Period Ending 06/30/00

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

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FORM 10-K405
(Annual Report (Regulation S-K, item 405))

Filed 9/27/2000 For Period Ending 6/30/2000

Address	HARTSFIELD ATLANTA INTL AIRPORT 1030 DELTA BLVD
	ATLANTA, Georgia 30354-1989
Telephone	404-715-2600
CIK	0000027904
Industry	Airline
Sector	Transportation
Fiscal Year	12/31

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-5424

DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	58-0218548 (IRS Employer Identification No.)
POST OFFICE BOX 20706, ATLANTA, GEORGIA (Address of principal executive offices)	30320-6001 (Zip code)

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

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $1.50 per share	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange
8 1/8% Notes Due July 1, 2039	New York Stock Exchange

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

NONE

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 [X] No [ ]

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of August 27, 2000, was approximately $6.1 billion. As of August 27, 2000, 122,974,870 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II of this Form 10-K incorporate by reference certain information from the registrant's 2000 Annual Report to Shareowners. Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement dated September 15, 2000, for its Annual Meeting of Shareowners to be held on October 25, 2000.

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-5424

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

Delaware	58-0218548
(State or other jurisdiction of incorporation or organization)	(IRS 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 $1.50 per share	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange
8 1/8% Notes Due July 1, 2039	New York Stock Exchange

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

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 [X] No [ ]

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DELTA AIR LINES, INC.

PART I

ITEM 1. BUSINESS

General Description

Delta Air Lines, Inc. ("Delta" or the "Company") is a major air carrier that provides scheduled air transportation for passengers and freight throughout the United States and around the world. As of September 1, 2000, Delta (including its wholly owned subsidiaries Atlantic Southeast Airlines, Inc. ("ASA") and Comair, Inc. ("Comair")) served 205 domestic cities in 45 states, the District of Columbia, Puerto Rico and the United States Virgin Islands, as well as 44 cities in 28 foreign countries.

Based on calendar 1999 data, Delta is the largest United States airline in terms of aircraft departures and passengers enplaned, and the third largest United States airline as measured by operating revenues and revenue passenger miles flown. Delta is the largest United States airline in the transatlantic, offering the most daily flight departures, serving the largest number of nonstop markets and carrying more passengers than any other United States airline.

An important characteristic of Delta's route network is its four hub airports in Atlanta, Cincinnati, Dallas/Ft. Worth and Salt Lake City. Each of these hub operations includes Delta flights that gather and distribute traffic from markets in the geographic region surrounding the hub to other major cities and to other Delta hubs. These hubs also provide passengers with access to Delta's international gateway at New York's John F. Kennedy International Airport. Other key characteristics of Delta's route network include the Company's alliances with foreign airlines, the Delta Shuttle, Delta Express and the Delta Connection program.

For the year ended June 30, 2000, passenger revenues accounted for 94% of Delta's consolidated operating revenues. Cargo revenues and other sources accounted for 6% of the Company's consolidated operating revenues for that period.

Delta is managed as a single business unit. For additional information on this subject, as well as information concerning Delta's operating revenues by geographic region, see Note 13 of the Notes to the Consolidated Financial Statements on page 49 of Delta's 2000 Annual Report to Shareowners, which is incorporated herein by reference.

Delta's operating results for any interim period are not necessarily indicative of operating results for an entire year because of seasonal variations in the demand for air travel. In general, demand for air travel is higher in the June and September quarters, particularly in international markets, because there is more vacation travel during these periods than during the remainder of the year. Demand for air travel is also affected by factors such as economic conditions and fare levels.

Delta is incorporated under the laws of the State of Delaware. Its principal executive offices are located at Hartsfield Atlanta International Airport in Atlanta, Georgia, and its telephone number is (404) 715-2600.

Regulatory Environment

While the United States Department of Transportation (the "DOT") and the Federal Aviation Administration (the "FAA") exercise regulatory authority over air carriers under the Federal Aviation Act of 1958, as amended (the "Act"), most domestic economic regulation of passenger and freight services was eliminated pursuant to the Airline Deregulation Act of 1978 and other statutes amending the Act. The DOT has jurisdiction over international tariffs and pricing; international routes; computer reservations systems; disabled passenger transportation; and certain economic and consumer protection matters such as advertising, denied boarding compensation, baggage liability and smoking aboard aircraft. The FAA regulates flying operations generally, including control of navigable air space, flight personnel, aircraft certification and maintenance, and other matters affecting air safety. The United States Department of Justice has jurisdiction over airline competition matters, including mergers and acquisitions.

Any air carrier which the DOT finds "fit" to operate is given unrestricted authority to operate domestic air transportation (including the carriage of passengers and cargo). Authority to operate international routes continues to be regulated by the DOT and by the foreign governments involved. International route awards are also subject to the approval of the President of the United States for conformance with national defense and foreign policy objectives.

The economic deregulation of the industry permits unfettered competition with respect to domestic routes, services, fares and rates, and Delta faces significant competition on its routes. Except for constraints imposed by the Act's Essential Air Service provisions, which are applicable to certain small communities, airlines may terminate service to a city without restriction.

Delta is also subject to various other federal, state, local and foreign laws and regulations. The United States Postal Service has authority over certain aspects of the transportation of mail, and rates for the carriage of domestic mail are determined through negotiations or competitive bidding. The Communications Act of 1934, as amended, governs Delta's use and operation of radio facilities. Labor relations in the airline industry are generally governed by the Railway Labor Act. Environmental matters (including noise pollution) are regulated by various federal, state, local and foreign governmental entities.

Fares and Rates

Airlines are permitted to set domestic ticket prices without governmental regulation, and the industry is characterized by substantial price competition. International fares and rates are subject to the jurisdiction of the DOT and the governments of the foreign countries involved. Most international markets are characterized by significant price competition and substantial commissions, overrides and discounts to travel agents, brokers and wholesalers.

Delta's system passenger mile yield increased 3% in fiscal 2000 compared to fiscal 1999. The Company's North American passenger mile yield rose 5% largely due to the inclusion of ASA and Comair in Delta's results of operations, partially offset by increased low-fare competition and capacity increases by competitors. Delta's international passenger mile yield declined 4% primarily due to increased pricing pressures resulting from industry-wide capacity growth in the Atlantic market.

Competition

All domestic routes served by Delta are subject to competition from both new and existing carriers, and service over virtually all of Delta's domestic routes is highly competitive. On most of its principal domestic routes, the Company competes with at least one, and usually more than one, major airline. Delta also competes with regional and national carriers, all-cargo carriers, charter airlines and, particularly on its shorter routes, with surface transportation. Service over most of Delta's international routes is also highly competitive.

International alliances between domestic and foreign carriers, such as the marketing and codesharing arrangements between Northwest Airlines, Inc. and KLM-Royal Dutch Airlines, and among United Air Lines, Inc., Lufthansa German Airlines, Scandinavian Airline Systems and certain other foreign airlines, have significantly increased competition in international markets. Through codesharing arrangements with United States carriers, foreign carriers have obtained access to interior United States passenger traffic. Similarly, United States carriers have increased their ability to sell international transportation such as transatlantic services to and beyond European cities.

For additional information regarding the competitive environment, see "Competitive Environment and Seasonality" on page 31 of Delta's 2000 Annual Report to Shareowners, which is incorporated herein by reference.

Route Authority

Delta's flight operations are authorized by certificates of public convenience and necessity and, to a limited extent, by exemptions issued by the DOT. The requisite approvals of other governments for international operations are provided by bilateral agreements with, or permits issued by, foreign countries. Because international air transportation is governed by bilateral or other agreements between the United States and the foreign country or countries involved, changes in United States or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of Delta's international route authorities or otherwise affect Delta's international operations. Bilateral agreements between the United States and various foreign countries served by Delta are subject to renegotiation from time to time.

Certain of Delta's international route authorities are subject to periodic renewal requirements. Delta requests 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 of this result. Dormant authority may not be renewed in some cases, especially where another United States carrier indicates a willingness to provide service.

Airport Access

Operations at four major United States airports and certain foreign airports served by Delta are regulated by governmental entities through "slot" allocations. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the United States, the FAA currently regulates slot allocations at O'Hare International Airport in Chicago, John F. Kennedy International Airport in New York, La Guardia Airport in New York and Ronald Reagan National Airport in Washington, D. C. Delta's operations at those four airports generally require slot allocations. In April 2000, President Clinton signed legislation which phases out slot rules at O'Hare International Airport by 2002, and at Kennedy and La Guardia Airports by 2007.

Delta currently has sufficient slot authorizations to operate its existing flights, and has generally been able to obtain slots to expand its operations and to change its schedules. There is no assurance, however, that Delta will be able to obtain slots for these purposes in the future because, among other reasons, slot allocations are subject to changes in governmental policies.

Codesharing and Other Alliances

Delta has entered into marketing agreements with certain foreign carriers to maintain or improve Delta's access to international markets. Under these codesharing arrangements, Delta and the foreign carriers publish their respective airline designator codes on a single flight operation, thereby allowing Delta and the foreign carrier to provide joint service with one aircraft rather than operating separate services with two aircraft.

Many of Delta's international codesharing arrangements operate in discrete international city pairs. Under these arrangements, Delta purchases seats on the foreign carrier's aircraft that are marketed under Delta's "DL" designator code and sells seats on Delta's aircraft that are marketed under the foreign carrier's two-letter designator code.

On June 22, 2000, Delta, Aeromexico, Air France and Korean Air launched a global alliance called SkyTeam. This alliance includes codesharing arrangements, reciprocal frequent flyer programs and coordinated cargo operations.

Delta Shuttle

The Delta Shuttle is the Company's high-frequency specialty product providing service targeted to the Northeast business traveler. It provides hourly nonstop service between New York's La Guardia Marine Air Terminal and both Boston's Logan International Airport and Washington, D.C.'s Ronald Reagan National Airport. The Delta Shuttle also provides nonstop service between Boston and Washington, D.C.

Delta Express

Delta Express is the Company's low-fare, leisure-oriented operation which provides service from certain cities in the Northeast and Midwest to Orlando and four other Florida destinations. In October 1996, Delta Express initiated service, operating a fleet of 12 aircraft with 62 daily departures to 13 cities. Today, Delta Express operates a fleet of 40 aircraft with 168 daily flights to 21 cities.

The Delta Connection Program

Delta strengthened its competitive position by acquiring ASA Holdings, Inc. ("ASA Holdings") in fiscal 1999 and Comair Holdings, Inc. ("Comair Holdings") in fiscal 2000. ASA Holdings and Comair Holdings are the parent companies of regional jet carriers ASA and Comair, respectively. Both ASA and Comair are wholly owned subsidiaries of Delta and use Delta's "DL" code on their flights. For additional information regarding Delta's acquisition of ASA Holdings and Comair Holdings, see Note 17 of the Notes to the Consolidated Financial Statements on pages 51-52 of Delta's 2000 Annual Report to Shareowners, which is incorporated herein by reference.

Delta has marketing agreements with three other regional jet carriers that use Delta's "DL" code on some or all of their flights, and also exchange connecting traffic with Delta. These carriers are Atlantic Coast Jet, Inc., SkyWest Airlines, Inc. and Trans States Airlines ("Trans States"). Trans States will cease operations as a Delta Connection carrier by March 31, 2001.

Computer Reservations System Partnership

Delta owns 40% of WORLDSPAN, L.P. ("WORLDSPAN"), a Delaware limited partnership which operates and markets a computer reservation system ("CRS") and related systems for the travel industry. Northwest Airlines, Inc., and Trans World Airlines, Inc. own 34% and 26%, respectively, of WORLDSPAN.

CRS services are used primarily by travel agents to book airline, hotel, car rental and other travel reservations and issue airline tickets. CRS services are provided by several companies in the United States and worldwide. In the United States, other CRS competitors are SABRE, Galileo International, Inc. and AMADEUS. CRS vendors are subject to regulations promulgated by the DOT and certain foreign governments.

The CRS industry is highly competitive. Based on the number of travel agents in the United States using a CRS, WORLDSPAN ranks third, behind SABRE and Galileo International, Inc., in market share among travel agents in the United States.

Fuel

Delta's results of operations could be significantly impacted by changes in the price and availability of jet fuel. The following table shows Delta's jet fuel consumption and costs for fiscal years 1996-2000.

Fiscal Year	Gallons Consumed (Millions)	Cost (Millions)	Average Price Per Gallon	Percent of Operating Expenses*
1996	2,500	$1,464	58.53(cent)	13%
1997	2,599	1,722	66.23	14
1998	2,664	1,507	56.54	12
1999	2,730	1,360	49.83	11
2000	2,876	1,646	57.23	12

* Excludes restructuring and other special charges in fiscal years 1996, 1997 and 2000.

Aircraft fuel expense increased 21% in fiscal 2000 compared to fiscal 1999, with the average fuel price per gallon rising 15% to 57.23(cent). Total gallons consumed increased 5% due to increased operations on a 5% rise in capacity. Delta's fuel cost per gallon in fiscal 2000 is net of gains of $442 million on fuel hedging contracts, which hedged approximately 75% of Delta's aircraft fuel requirements during fiscal 2000.

Changes in jet fuel prices and availability have industry-wide impact and benefit or harm Delta's competitors as well as Delta. Accordingly, lower jet fuel prices may be offset by increased price competition and lower revenues for all air carriers. Moreover, there can be no assurance that Delta will be able to increase its fares in response to any future increases in fuel prices.

Delta's jet fuel purchase contracts do not provide material protection against price increases or for assured availability of supplies. The Company purchases most of its jet fuel from petroleum refiners under contracts which establish the price based on various market indices. Delta also purchases aircraft fuel on the spot market, from off-shore sources and under contracts which permit the refiners to set the price and give the Company the right to terminate upon short notice if the price is unacceptable.

Delta uses options and other non-leveraged, over-the-counter instruments to manage the risk associated with changes in aircraft fuel prices. Information regarding Delta's fuel hedging program is set forth in Note 4 of the Notes to the Consolidated Financial Statements on page 41 of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

Although Delta is currently able to obtain adequate supplies of jet fuel, it is impossible to predict the future availability or price of jet fuel. Political disruptions in 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. Such shortages and price increases could have a material adverse effect on Delta's business.

Personnel

Approximately 16% of the 81,000 total employees of Delta, ASA and Comair are represented by unions. The following table presents certain information concerning the union representation of domestic employees of Delta, ASA and Comair.

EMPLOYEE GROUP	APPROXIMATE NUMBER OF EMPLOYEES REPRESENTED	UNION	AMENDABLE DATE OF COLLECTIVE BARGAINING AGREEMENT
Delta Pilots	9,000	Air Line Pilots Association, International	May 2000
Delta Flight Superintendents	210	Professional Airline Flight Controllers Association	December 2004
Delta Pilot Ground Training Instructors	110	Transport Workers Union of America	Initial contract in negotiation
ASA Pilots	990	Air Line Pilots Association, International	September 2002
ASA Flight Attendants	540	Association of Flight Attendants	September 2002
ASA Flight Dispatchers	30	Transport Workers Union of America	Initial contract in negotiation
Comair Pilots	1,300	Air Line Pilots Association, International	June 1998
Comair Maintenance Employees	410	International Association of Machinists and Aerospace Workers	June 2004
Comair Flight Attendants	550	International Brotherhood of Teamsters	Initial contract in negotiation

For information regarding collective bargaining negotiations at Delta, ASA and Comair, and union efforts to organize other groups of employees at those companies, see "Collective Bargaining Matters" on pages 30-31 of Delta's 2000 Annual Report to Shareowners, which is incorporated herein by reference.

Environmental Matters

The Airport Noise and Capacity Act of 1990 (the "ANCA") required the phase-out of Stage 2 aircraft by December 31, 1999, subject to certain exceptions. Delta has complied with this requirement.

The ANCA recognizes the rights of operators of airports with noise problems to implement local noise abatement procedures so long as such procedures do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. It generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval. While Delta has had sufficient scheduling flexibility to accommodate local noise restrictions in the past, the Company's operations could be adversely impacted if locally-imposed regulations become more restrictive or widespread.

The United States Environmental Protection Agency (the "EPA") is authorized to regulate aircraft emissions. The engines on Delta's aircraft comply with the applicable EPA standards.

In February 1998, the EPA and the FAA signed a Memorandum of Agreement ("MOA") to develop a voluntary process with the airline industry to reduce emissions that lead to ozone formation. The MOA includes a proposal with a voluntary engine modification program to reduce emissions from aircraft engines. As a result of the MOA, air carriers, the EPA, the FAA and local and state regulators are evaluating potential options for emission reductions from airport activities, including aircraft engine modifications and alternative fueled ground service equipment, but no conclusion or agreement has been reached as to which, if any, options are viable.

Delta has been identified by the EPA as a potentially responsible party (a "PRP") with respect to certain Superfund Sites, and has entered into consent decrees regarding some of these sites. Delta's alleged disposal volume at each of these sites is small when compared to the total contributions of all PRPs at each site. Delta is aware of soil and/or ground water contamination present on its current or former leaseholds at several domestic airports; to address this contamination, the Company has a program in place to investigate and, if appropriate, remediate these sites. Management believes that the resolution of these matters is not likely to have a material adverse effect on Delta's consolidated financial statements.

In March 2000, Delta received a federal grand jury subpoena calling for the Company to produce documents relating to aircraft deicing operations at the Dallas/Ft. Worth Airport since 1992. The Company understands that certain other airlines operating at Dallas/Ft. Worth and the Dallas/Ft. Worth Airport Board received similar subpoenas. Delta has produced the requested information and intends to cooperate with the government's investigation. The Company cannot currently determine the full scope of the investigation or its role in that matter.

Frequent Flyer Program

Delta, like other major airlines, has established a frequent flyer program offering incentives to maximize travel on Delta. This program allows participants to accrue mileage for travel awards while flying on Delta, the Delta Connection carriers and participating airlines. Mileage credit may also be accrued for the use of certain services offered by program partners such as credit card companies, hotels and car rental agencies. Delta reserves 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.

Mileage credits earned can be redeemed for free or upgraded air travel on Delta and participating airline partners, for membership in Delta's Crown Room Club and for other program partner awards. Travel awards are subject to certain transfer restrictions and, in most cases, blackout dates and capacity controlled seating. Miles earned prior to May 1, 1995 do not expire so long as Delta has a frequent flyer program. Miles earned on or after May 1, 1995 will not expire as long as, at least once every three years, the participant (1) takes a qualifying flight on Delta or a Delta Connection carrier; (2) earns miles through one of Delta's program partners; or (3) redeems miles for any program award.

Delta accounts for its frequent flyer program obligations by recording a liability for the estimated incremental cost of flight awards the Company expects to be redeemed. The estimated incremental cost associated with a flight award does not include any contribution to overhead or profit. Such incremental cost is based on Delta's system average cost per passenger for fuel, food and other direct passenger costs. Delta does not record a liability for mileage earned by participants who have not reached the level to become eligible for a free travel award. Delta believes this exclusion is immaterial and appropriate because the large majority of these participants are not expected to earn a free flight award. Delta does not record a liability for the expected redemption of miles for non-travel awards since the cost of these awards to Delta is negligible.

Delta estimated the potential number of round-trip flight awards outstanding under its frequent flyer program to be 9.6 million at June 30, 1998, 10.6 million at June 30, 1999 and 11.5 million at June 30, 2000. Of these earned awards, Delta expected that approximately 7.2 million, 8.0 million and 8.6 million, respectively, would be redeemed. At June 30, 1998, 1999 and 2000, Delta had recorded a liability for these awards of $140 million, $172 million and $186 million, respectively. The difference between the round-trip awards outstanding and the awards expected to be redeemed is the estimate, based on historical data, of awards which will (1) never be redeemed; or (2) be redeemed for something other than a free trip.

Frequent flyer program participants flew 1.9 million, 2.0 million and 2.2 million free round-trips on Delta in fiscal years 1998, 1999 and 2000, respectively. These round-trips accounted for approximately 7% of the total passenger miles flown for each of the respective periods. Delta believes that the low percentage of free passenger miles and the restrictions applied to free travel awards minimize the displacement of revenue passengers.

Civil Reserve Air Fleet Program

Delta is a participant in the Civil Reserve Air Fleet Program pursuant to which the Company has agreed to make available, during the period beginning October 1, 2000 and ending September 30, 2001, up to 81 of its international range aircraft for use by the United States military under certain stages of readiness related to national emergencies.

ITEM 2. PROPERTIES

Flight Equipment

Information relating to Delta's aircraft fleet is set forth in Notes 7 and 8 of the Notes to the Consolidated Financial Statements on pages 45-46, and on the inside back cover, of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

Ground Facilities

Delta leases most of the land and buildings that it occupies. The Company's largest aircraft maintenance base, various computer, cargo, flight kitchen and training facilities and most of its principal offices are located at or near Hartsfield Atlanta International Airport in Atlanta, Georgia, on land leased from the City of Atlanta generally under long-term leases. Delta owns a portion of its principal offices, its Atlanta reservations center and other improved and unimproved real property in Atlanta, as well as a limited number of radio transmitting and receiving sites and certain other facilities.

The City of Atlanta, with the support of Delta and other airlines, intends to undertake a ten year capital improvement program (the "CIP") at Hartsfield Atlanta International Airport. Implementation of the CIP should increase the number of flights that may operate at the airport, reduce flight delays and enable Hartsfield Atlanta International Airport to remain one of the preeminent airports in the world. The CIP includes, among other things, a new approximately 9,000 foot full-service runway (targeted for completion in May 2005), related airfield improvements, additional terminal and gate capacity, new cargo and other support facilities and roadway and other infrastructure improvements. If fully implemented, the CIP is currently estimated to cost approximately $5.4 billion. The CIP runs through 2010, 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. There is no assurance the CIP will be implemented on schedule and within budget, or that it will be fully implemented. One of the factors potentially impacting implementation of the CIP is the need to obtain certain environmental approvals. Failure to implement certain portions of the CIP in a timely manner could adversely impact Delta's operations at Hartsfield Atlanta International Airport.

Delta leases ticket counter and other terminal space, operating areas and air cargo facilities in most of the airports which it serves. These leases generally run for periods of less than one year to thirty years or more, and contain provisions for periodic adjustment of lease rates. At most airports which it serves, Delta has entered into use agreements which provide for the non-exclusive use of runways, taxiways, and other facilities; landing fees under these agreements normally are based on the number of landings and weight of aircraft. The Company also leases aircraft maintenance facilities at certain airports; these leases generally require Delta to pay the cost of providing, operating and maintaining such facilities. In addition, Delta leases marketing, ticket and reservations offices in certain major cities which it serves; these leases are generally for shorter terms than the airport leases. Additional information relating to Delta's ground facilities is set forth in Note 7 of the Notes to the Consolidated Financial Statements on page 45 of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

Delta has announced plans to redevelop Terminal A at Boston's Logan International Airport to consolidate its flight operations at that airport at one location. The Company estimates the construction and design costs of this project at $386 million, but anticipates that the Massachusetts Port Authority will fund approximately $50 million of these costs. Implementation of the redevelopment project is dependent upon obtaining certain environmental approvals and the execution of definitive agreements by Delta and the Massachusetts Port Authority.

In recent years, some airports have increased or sought to increase the rates charged to airlines to levels that, in the airlines' opinion, 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 charges is restricted, the rates charged by airports to airlines may increase substantially.

ITEM 3. LEGAL PROCEEDINGS

ASA Holdings Shareowner Litigation. In February 1999, two shareowners of ASA Holdings filed a purported shareowner class action complaint in the Superior Court of Fulton County in the state of Georgia against ASA Holdings, its board of directors and Delta. The complaint seeks (1) to enjoin Delta's now completed acquisition of ASA Holdings or to rescind the acquisition; (2) unspecified compensatory and rescissory damages; and (3) costs and disbursements of the action. The complaint alleges, among other things: (1) that the board of directors of ASA Holdings breached its fiduciary duties by permitting ASA Holdings to enter into an acquisition agreement with Delta under which shareowners of ASA Holdings allegedly received an inadequate price; and (2) that Delta owed fiduciary duties to shareowners of ASA Holdings and breached those duties by entering into the acquisition agreement.

In March 1999, the parties entered into a memorandum of understanding contemplating the settlement of this litigation. Pursuant to the memorandum of understanding, Delta and ASA Holdings amended their acquisition agreement to eliminate the termination fee payable to Delta by ASA Holdings if the acquisition agreement was terminated by ASA Holdings in favor of a superior proposal. The defendants also agreed to pay the fees and expenses of plaintiffs' counsel up to an aggregate amount of $400,000, subject to final court approval of the settlement.

The parties have entered into a definitive settlement agreement, which is subject to the approval of the Superior Court of Fulton County. The Superior Court has scheduled a hearing to consider the settlement on October 20, 2000.

Comair Holdings Shareowner Litigation. In October and November 1999, shareowners of Comair Holdings filed several purported shareowner class action complaints in state courts in Kentucky, New York and Ohio against Comair Holdings, its board of directors and Delta. These lawsuits make allegations and seek remedies with respect to Delta's acquisition of Comair Holdings that are generally similar to the allegations made and the remedies sought with respect to Delta's acquisition of ASA Holdings in the ASA Holdings shareowner litigation discussed above.

In November 1999, the parties to these lawsuits entered into a memorandum of understanding contemplating the settlement of this litigation. Pursuant to the memorandum of understanding, Delta and Comair Holdings amended their acquisition agreement to eliminate the termination fee payable to Delta by Comair Holdings if the acquisition agreement was terminated by Comair Holdings in favor of a superior proposal. The defendants also agreed to pay the fees and expenses of plaintiffs' counsel up to $675,000 and $75,000, respectively, subject to final court approval of the settlement.

The parties have entered into a definitive settlement agreement, which the Circuit Court of Boone County, Kentucky approved on September 25, 2000. The time for appealing the Circuit Court's order has not yet expired.

Certain Antitrust Actions. In June 1999, two purported class action antitrust lawsuits were filed in the United States District Court for the Eastern District of Michigan against Delta, US Airways, Inc., Northwest Airlines, Inc. and the Airlines Reporting Corporation, an airline-owned company that operates a centralized clearinghouse for travel agents to report and account for airline ticket sales.

In the first case, the plaintiffs allege, among other things: (1) that the defendants and certain other airlines conspired with Delta in violation of Section 1 of the Sherman Act to restrain competition and assist Delta in fixing and maintaining anti-competitive prices for air passenger service to and from its Atlanta and Cincinnati hubs; and (2) that Delta violated Section 2 of the Sherman Act by exercising monopoly power to establish such prices in an anti-competitive or exclusionary manner. The complaint asserts that, for purposes of plaintiffs' damages claims, the purported plaintiff class consists of all persons who purchased a Delta full-fare ticket from June 11, 1995 to the present on routes (1) that start or end at Delta's hubs in Atlanta or Cincinnati; (2) on which Delta has over a 50% market share; (3) that are longer than 150 miles; and (4) that have total annual traffic of over 30,000 passengers.

In the second case, the plaintiffs assert similar allegations and claims under Sections 1 and 2 of the Sherman Act with respect to US Airways' pricing practices at its Pittsburgh and Charlotte hubs ("US Airways Hubs"). The complaint asserts, among other things, that Delta, the other defendants and certain other airlines conspired with US Airways to restrain competition and assist US Airways in fixing and maintaining prices for air passenger service to and from the US Airways Hubs.

In both cases, plaintiffs have requested a jury trial, and are seeking injunctive relief; costs and attorneys' fees; unspecified damages, to be trebled under the antitrust laws; and such further relief as the District Court deems appropriate. Delta believes that the claims asserted against it in these cases are without merit, and it intends to defend these lawsuits vigorously.

Pilot Retirement Benefits Lawsuit. In March 2000, four retired Delta pilots filed a purported class action lawsuit against Delta and the Delta Pilots Retirement Plan (the "Retirement Plan") in the United States District Court for the District of Oregon. The plaintiffs, who are seeking unspecified damages, claim that the calculation of their retirement benefits violated the terms of the Retirement Plan and various Internal Revenue Code provisions. The plaintiffs seek to represent a class consisting of certain groups of retired and active Delta pilots. The District Court recently granted Delta's motion to transfer the case to the United States District Court for the Northern District of Georgia. Delta believes this lawsuit is without merit, and it intends to defend this matter vigorously.

Other Matters. Delta is a defendant in certain other legal actions relating to alleged employment discrimination practices, antitrust matters, environmental issues and other matters concerning Delta's business. Although the ultimate outcome of these matters cannot be predicted with certainty, management believes that the resolution of these actions is not likely to have a material adverse effect on Delta's consolidated financial statements.

For a discussion of certain environmental matters, see "ITEM 1. Business - Environmental Matters" on page 8 of this Form 10-K.

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

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information concerning Delta's executive officers follows. Unless otherwise indicated, all positions shown are with Delta. There are no family relationships between any of Delta's executive officers.

Leo F. Mullin	Chairman of the Board and Chief Executive Officer, January 28, 2000 to date;* Chairman of the Board, President and Chief Executive Officer, October 28, 1999 to January 27, 2000; President and Chief Executive Officer, August 14, 1997 to October 27, 1999. Mr. Mullin was Vice Chairman of Unicom Corporation and its principal subsidiary, Commonwealth Edison Company, from 1995 through August 13, 1997. He was an executive of First Chicago Corporation from 1981 to 1995, serving as that company's President and Chief Operating Officer from 1993 to 1995, and as Chairman and Chief Executive Officer of American National Bank, a subsidiary of First Chicago Corporation, from 1991 to 1993. Age 57.
Malcolm B. Armstrong	Executive Vice President - Operations, October 1998 to date; Vice President - Corporate Safety and Compliance, June 1997 through September 1998. Mr. Armstrong was Vice President - Corporate Safety and Compliance of US Airways, Inc. from July 1995 to June 1997. He served as a Lieutenant General in the United States Air Force from May 1992 to June 1995. Age 58.
M. Michele Burns	Executive Vice President and Chief Financial Officer, August 9, 2000 to date; Senior Vice President - Finance and Treasurer, February 2000 to August 8, 2000; Vice President - Finance and Treasurer, September 1999 to February 2000; Vice President - Corporate Tax, January 1999 to September 1999. Ms. Burns was a partner at Arthur Andersen LLP from 1991 to January 1999. Age 42.
Robert L. Colman	Executive Vice President - Human Resources, October 1998 to date. Mr. Colman was Vice President - Human Resources for General Electric Aircraft Engines Business from October 1993 to October 1998. Age 55.

Effective January 28, 2000, Mr. Mullin's title was simplified at his request by deleting the word "President." Mr. Mullin continues to have all the powers of President as provided in Delta's by-laws.

Vicki B. Escarra	Executive Vice President - Customer Service, July 1998 to date; Senior Vice President - Airport Customer Service, November 1996 through June 1998; Vice President - Airport Customer Service, August 1996 through October 1996; Vice President - Reservation Sales and Distribution Planning, May 1996 through July 1996; Vice President - Reservation Sales, November 1994 to May 1996; Director - Reservations Sales, October 1994 to November 1994. Age 48.
Frederick W. Reid	Executive Vice President and Chief Marketing Officer, July 1998 to date. Mr. Reid was an executive of Lufthansa German Airlines from 1991 to June 1998, serving as President and Chief Operating Officer from April 1997 to June 1998, as Executive Vice President from 1996 to March 1997, and as Senior Vice President, The Americas, from 1991 to 1996. Age 50.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information required by this item is set forth under "Common Stock", "Number of Shareowners" and "Market Prices and Dividends" on page 56 of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

Under the Delta Air Lines, Inc. Directors' Deferred Compensation Plan ("Plan"), members of the Company's Board of Directors may defer for a specified period all or any part of their cash compensation earned as a director. A participating director may choose an investment return on the deferred amount from the investment return choices available under the Delta Family-Care Savings Plan, a qualified defined contribution pension plan for eligible Delta personnel. One of the investment return choices under the Delta Family-Care Savings Plan that a participating director may select is a fund invested primarily in Delta's common stock ("Delta Common Stock Fund"). During the quarter ended June 30, 2000, participants in the Plan deferred $20,300 in the Delta Common Stock Fund investment return choice (equivalent to 390 shares of Delta common stock at prevailing market prices). These transactions were not registered under the Securities Act of 1933, as amended, in reliance on Section 4(2) of that Act.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is set forth on pages 54-55 of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

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

Information required by this item is set forth on pages 26-32 of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required by this item is set forth under "Market Risks Associated With Financial Instruments" on pages 31-32, and in Notes 2 and 4 of the Notes to the Consolidated Financial Statements on pages 39-41 and pages 41-42, respectively, of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item is set forth on pages 33-52, and in "Report of Independent Public Accountants" on page 53, of Delta's 2000 Annual Report to Shareowners, and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item is set forth under "Certain Information About Nominees" on pages 3-5, and under "Section 16 Beneficial Ownership Reporting Compliance" on page 12, of Delta's Proxy Statement dated September 15, 2000, and is incorporated herein by reference. Certain information regarding executive officers is contained in Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is set forth under "Compensation of Directors" on pages 6-7, under "Compensation Committee Interlocks and Insider Participation" on page 7, and on pages 17-23, of Delta's Proxy Statement dated September 15, 2000, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is set forth under "Beneficial Ownership of Securities" on pages 10-12 of Delta's Proxy Statement dated September 15, 2000, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1), (2). The financial statements and schedule required by this item are listed in the Index to Consolidated Financial Statements and Schedule on page 20 of this Form 10-K.

(3). The exhibits required by this item are listed in the Exhibit Index on page 25 of this Form 10-K. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.3 to 10.18 in the Exhibit Index.

(b). During the quarter ended June 30, 2000, Delta did not file any Current Reports on Form 8-K. Subsequent to June 30, 2000, Delta filed a Current Report on Form 8-K dated July 13, 2000, reporting that Delta's Board of Directors had approved a change of Delta's fiscal year end from June 30 to December 31, effective December 31, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 27th day of September, 2000.

DELTA AIR LINES, INC.

By: /s/ Leo F. Mullin

Leo F. Mullin
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 27th day of September, 2000 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
Edwin L. Artzt* ---------------------------- Edwin L. Artzt	Director
James L. Broadhead* ---------------------------- James L. Broadhead	Director
Edward H. Budd* ---------------------------- Edward H. Budd	Director
M. Michele Burns ---------------------------- M. Michele Burns	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
R. Eugene Cartledge* ---------------------------- R. Eugene Cartledge	Director

Signature	Title
Mary Johnston Evans* ---------------------------- Mary Johnston Evans	Director
George M. C. Fisher* ---------------------------- George M. C. Fisher	Director
David R. Goode* ---------------------------- David R. Goode	Director
Gerald Grinstein* ---------------------------- Gerald Grinstein	Director
/s/ Leo F. Mullin ---------------------------- Leo F. Mullin	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
Andrew J. Young* ---------------------------- Andrew J. Young	Director
*By: /s/ Leo F. Mullin ----------------- Leo F. Mullin	Attorney-In-Fact

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS - Incorporated herein by reference to "Report of Independent Public Accountants" on page 53 of Delta's 2000 Annual Report to Shareowners

FINANCIAL STATEMENTS - All of which are incorporated herein by reference to Delta's 2000 Annual Report to Shareowners:

Consolidated Statements of Income for the years ended June 30, 2000, 1999 and 1998

Consolidated Balance Sheets - June 30, 2000 and 1999

Consolidated Statements of Cash Flows for the years ended June 30, 2000, 1999 and 1998

Consolidated Statements of Shareowners' Equity for the years ended June 30, 2000, 1999 and 1998

Notes to the Consolidated Financial Statements - June 30, 2000, 1999 and 1998

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULE

SCHEDULE SUPPORTING FINANCIAL STATEMENTS:

Schedule Number	
II	Valuation and Qualifying Accounts for the years ended June 30, 2000, 1999 and 1998

All other schedules have been omitted as not applicable.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULE

To Delta Air Lines, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in Delta Air Lines, Inc.'s annual report to shareowners incorporated by reference in this Form 10-K and have issued our report thereon dated August 11, 2000. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management, is presented for purposes of complying with the Securities and Exchange Commission's rules, and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
August 11, 2000

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2000

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
DEDUCTION (INCREASE) IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$ 30	$ 15	-	$ 11(a)	$ 34
Allowance for unrealized gains on marketable equity securities:	$(243)	-	(3)(b)	$179(c)	$(67)
Reserve for restructuring and other nonrecurring charges:	$ 26	$ 19	-	$ 7(d)	$ 38

(a) Represents write-off of accounts considered to be uncollectible, less collections.

(b) Represents decrease in unrealized gain resulting from changes in market values.

(c) Represents decrease in unrealized gain resulting from sale of investments.

(d) Represents payments made against restructuring charges.

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1999

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
DEDUCTION (INCREASE) IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$ 36	$ 19	-	$ 25(a)	$ 30
Allowance for unrealized gains on marketable equity securities:	$(144)	-	$(99)(b)	-	$(243)
Reserve for restructuring and other nonrecurring charges:	$ 36	-	-	$ 10(c)	$ 26

(a) Represents write-off of accounts considered to be uncollectible, less collections.

(b) Represents increase in unrealized gain resulting from changes in market values.

(c) Represents payments made against restructuring reserves.

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1998

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
DEDUCTION (INCREASE) IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$ 48	$ 23	-	$ 35(a)	$ 36
Allowance for unrealized gains on marketable equity securities:	$(166)	-	-	$ 22(b)	$(144)
Reserve for restructuring and other nonrecurring charges:	$ 88	-	-	$ 52(c)	$ 36

(a) Represents write-off of accounts considered to be uncollectible, less collections.

(b) Represents decrease in unrealized gain resulting from changes in market values.

(c) Represents payments made against restructuring reserves.

EXHIBIT INDEX

3.1. Delta's Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).*

3.2. Delta's By-Laws.

4.1. Rights Agreement dated as of October 24, 1996, between Delta and First Chicago Trust Company of New York, as Rights Agent, as amended by Amendment No. 1 thereto dated as of July 22, 1999 (Filed as Exhibit 1 to Delta's Form 8-A/A Registration Statement dated November 4, 1996, and Exhibit 3 to Delta's Amendment No. 1 to Form 8-A/A Registration Statement dated July 30, 1999).*

4.2. Certificate of Designations, Preferences and Rights of Series B ESOP Convertible Preferred Stock and Series D Junior Participating Preferred Stock (Filed as part of Exhibit 3.1 of this Form 10-K).

4.3. Indenture dated as of March 1, 1983, between Delta and The Citizens and Southern National Bank, as trustee, as supplemented by the First and Second Supplemental Indentures thereto dated as of January 27, 1986 and May 26, 1989, respectively (Filed as Exhibit 4 to Delta's Registration Statement on Form S-3 (Registration No. 2-82412), Exhibit 4(b) to Delta's Registration Statement on Form S-3 (Registration No. 33-2972), and Exhibit 4.5 to Delta's Annual Report on Form 10-K for the year ended June 30, 1989).*

4.4. Third Supplemental Indenture dated as of August 10, 1998, between Delta and The Bank of New York, as successor trustee, to the Indenture dated as of March 1, 1983, as supplemented, between Delta and The Citizens and Southern National Bank of Florida, as predecessor trustee (Filed as Exhibit 4.5 to Delta's Annual Report on Form 10-K for the year ended June 30, 1998).*

4.5. Indenture dated as of April 30, 1990, between Delta and The Citizens and Southern National Bank of Florida, as trustee (Filed as Exhibit 4 (a) to Amendment No. 1 to Delta's Registration Statement on Form S-3 (Registration No. 33-34523)).*

4.6. First Supplemental Indenture dated as of August 10, 1998, between Delta and The Bank of New York, as successor trustee, to the Indenture dated as of April 30, 1990, between Delta and The Citizens and Southern National Bank of Florida, as predecessor trustee (Filed as Exhibit 4.7 to Delta's Annual Report on Form 10-K for the year ended June 30, 1998).*

4.7. Indenture dated as of May 1, 1991, between Delta and The Citizens and Southern National Bank of Florida, as Trustee (Filed as Exhibit 4 to Delta's Registration Statement on Form S-3 (Registration No. 33-40190)).*

4.8. Credit Agreement dated as of May 2, 1997, by and among Delta, Certain Banks and NationsBank, N.A. (South), as Agent Bank (Filed as Exhibit 4.7 to Delta's Annual Report on Form 10-K for the year ended June 30, 1997).*

4.9. Note Purchase Agreement dated February 22, 1990, among the Delta Family-Care Savings Plan, as Issuer, Delta, as Guarantor, and Various Lenders relating to the Guaranteed Serial ESOP Notes (Filed as Exhibit 10 to Delta's Current Report on Form 8-K dated April 25, 1990).*

4.10. Amendment No. 1 dated July 27, 1999, to the Note Purchase Agreement dated February 22, 1990, among the Delta Family-Care Savings Plan, as Issuer, Delta, as Guarantor, and Various Lenders relating to the Guaranteed Serial ESOP Notes (Filed as Exhibit 4.11 to Delta's Annual Report on Form 10-K for the year ended June 30, 1999).*

4.11. Indenture of Trust dated as of August 1, 1993, among Delta, Fidelity Management Trust Company, as ESOP Trustee, and Wilmington Trust Company, as Trustee, relating to the Guaranteed Serial ESOP Notes (Filed as Exhibit 4.12 to Delta's Annual Report on Form 10-K for the year ended June 30, 1993).*

4.12. Indenture dated as of December 14, 1999, between Delta and The Bank of New York, as Trustee, relating to $500 million of 7.70% Notes due 2005, $500 million of 7.90% Notes due 2009 and $1 billion of 8.30% Notes due 2029. (Filed as Exhibit 4.2 to Delta's Registration Statement on Form S-4 (Registration No. 333-94991)).*

4.13. Credit Agreement dated as of March 22, 1999, among Delta, Certain Banks, Citibank, N.A., as Syndication Agent, and The Chase Manhattan Bank, as Administrative Agent (Filed as Exhibit (a)(4) to Delta's Amendment No. 1 to Schedule 13E-3/A dated April 15, 1999).*

Delta is not filing any other instruments evidencing any indebtedness because the total amount of securities authorized under any single such instrument does not exceed 10% of the total assets of Delta and its subsidiaries on a consolidated basis. Copies of such instruments will be furnished to the Securities and Exchange Commission upon request.

10.1. Stock Purchase Agreement dated July 10, 1989, between Delta and Swissair, Swiss Air Transport Company Ltd. (Filed as Exhibit 10.2 to Delta's Current Report on Form 8-K dated July 24, 1989).*

10.2. Sixth Amended and Restated Limited Partnership Agreement of WORLDSPAN, L.P. dated as of April 30, 1993 (Filed as Exhibit 10.6 to Delta's Annual Report on Form 10-K for the year ended June 30, 1993).*

10.3. Delta's Incentive Compensation Plan, as amended (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).*

10.4. Delta's 1989 Stock Incentive Plan, as amended (Filed as Appendix A to Delta's Proxy Statement dated September 15, 1997).*

10.5. Prior Form of Non-Qualified Stock Option Award Agreement, dated January 25, 1996, under Delta's 1989 Stock Incentive Plan (Filed as Exhibit 10.17 to Delta's Annual Report on Form 10-K for the year ended June 30, 1996).*

10.6. Current Form of Non-Qualified Stock Option Award Agreement under Delta's 1989 Stock Incentive Plan.

10.7. Form of Performance-Based Restricted Stock Award Agreement under Delta's 1989 Stock Incentive Plan.

10.8. Delta's Executive Deferred Compensation Plan, as amended (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).*

10.9. Directors' Deferred Compensation Plan (Filed as Exhibit 10.12 to Delta's Annual Report on Form 10-K for the year ended June 30, 1996).*

10.10. Directors' Charitable Award Program (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).*

10.11. 1991 Delta Excess Benefit Plan, The Delta Supplemental Excess Benefit Plan and Form of Senior Officer Excess Benefit Plan Agreement (Filed as Exhibit 10.18 to Delta's Annual Report on Form 10-K for the year ended June 30, 1992, and Exhibit 10.17 to Delta's Annual Report on Form 10-K for the year ended June 30, 1998).*

10.12. Delta's Non-employee Directors' Stock Plan (Filed as Exhibit 4.5 to Delta's Registration Statement on Form S-8 (Registration No. 33-65391)).*

10.13. Delta's Non-employee Directors' Stock Option Plan and Form of Award Agreement dated October 22, 1998 (Filed as Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1998).*

10.14. Forms of Executive Retention Protection Agreements for Certain Officers (Filed as Exhibit 10.16 of Delta's Annual Report on Form 10-K for the year ended June 30, 1997).*

10.15. Employment Agreement dated as of August 14, 1997, between Delta and Leo F. Mullin (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*

10.16. Non-Qualified Stock Option Award Agreement dated October 27, 1999, between Delta and Leo F. Mullin under Delta's 1989 Stock Incentive Plan.

10.17. Employment Agreement dated June 5, 1998, between Delta and Frederick W. Reid (Filed as Exhibit 10.20 to Delta's Annual Report on Form 10-K for the year ended June 30, 1998).*

10.18. Employment Agreement dated September 17, 1998, between Delta and Robert L. Colman (Filed as Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).*

10.19. Purchase Agreement No. 2022 between The Boeing Company and Delta relating to Boeing Model 737-632/-732/-832 Aircraft (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).*/**

10.20. Purchase Agreement No. 2025 between The Boeing Company and Delta relating to Boeing Model 767-432ER Aircraft (Filed as Exhibit 10.4 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).*/**

10.21. Letter Agreements related to Purchase Agreements No. 2022 and/or No. 2025 between The Boeing Company and Delta (Filed as Exhibit 10.5 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).*/**

10.22. Aircraft General Terms Agreement between The Boeing Company and Delta (Filed as Exhibit 10.6 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).*/**

10.23. Agreement dated April 29, 1996, between Delta and The Air Line Pilots in the service of Delta as represented by the Air Line Pilots Association, International (Filed as Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996).*

12. Statement regarding computation of ratio of earnings to fixed charges for the years ended June 30, 2000, 1999, 1998, 1997 and 1996.

13. Portions of Delta's 2000 Annual Report to Shareowners.

23. Consent of Arthur Andersen LLP.

24. Powers of Attorney.

27. Financial Data Schedule.

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*Incorporated herein by reference
**Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to Delta's request for confidential treatment.

Exhibit 3.2

DELTA AIR LINES, INC.

BY-LAWS

AS AMENDED
THROUGH
JULY 27, 2000

INCORPORATED
UNDER THE LAWS OF
DELAWARE

TABLE OF CONTENTS

BY-LAWS

BY-LAWS OF

DELTA AIR LINES, INC.

ARTICLE I.
NAME, INCORPORATION AND LOCATION OF OFFICES

SECTION 1.1 NAME AND INCORPORATION.

The name of this corporation is DELTA AIR LINES, INC. It is incorporated under the laws of Delaware in perpetuity.

SECTION 1.2 LOCATION OF REGISTERED AGENT AND OFFICES.

The name of the registered agent of the corporation is the Corporation Trust Co., and its address and the address of the corporation's principal office in Delaware is No. 100 West 10th Street, Wilmington, Delaware 19801. Said registered agent and office may be changed as provided by the General Corporation law of Delaware, as now or hereafter in effect.

The corporation may also have an office in Atlanta, Georgia, and may have offices at such other places as the business of the corporation may require.

ARTICLE II.

CAPITAL STOCK

SECTION 2.1 AMOUNT AND CLASS AUTHORIZED.

Until otherwise provided by amendment to its Certificate of Incorporation, the authorized capital stock of the corporation shall consist of 470,000,000 shares, of which 450,000,000 shall be common stock of the par value of $1.50 per share and 20,000,000 shall be preferred stock of the par value of $1.00 per share. Shares of such authorized $1.50 par value common stock, in addition to the shares now outstanding, up to the authorized maximum of 450,000,000 shares, may be issued at such times, and from time to time, and may be sold for such considerations, not less than the par value thereof, as shall be fixed and determined by the board of directors. Shares of such authorized preferred stock up to the authorized maximum of 20,000,000 shares may be issued at such times, and from time to time, in such series and with such rights, including voting rights, preferences, and limitations, and may be sold for such considerations, not less than the par value thereof, as shall be fixed and determined by the board of directors.

SECTION 2.2 STOCK CERTIFICATES.

Certificates evidencing the stock of the corporation shall be in such forms as shall be authorized and approved by the board of directors. Such certificates shall be signed by the chairman of the board, the president or a vice president and by the secretary or an assistant secretary of the corporation, and the seal of the corporation shall be affixed thereto. The seal of the corporation and any or all the signatures on such certificate may be facsimile engraved, stamped or printed.

If any officer, transfer agent or registrar who has signed, or whose facsimile signature has been used on, a certificate has ceased to be an officer, transfer agent or registrar or if any officer who has signed has had a change in title before the certificate is delivered, such certificate may nevertheless be issued and delivered by the corporation as though the officer, transfer agent or registrar who signed or whose facsimile signature shall have been used had not ceased to be such officer, transfer agent or registrar or such officer had not had such change in title.

SECTION 2.3 TRANSFER AGENTS AND REGISTRARS.

The board of directors may appoint transfer agents and co-transfer agents and registrars and co-registrars for the stock of the corporation and, if it so elects, may appoint a single agency to serve as both transfer agent and registrar, and may require all certificates evidencing stock to bear the signature or signatures of any of them.

SECTION 2.4 TRANSFERS OF STOCK.

Transfers of stock of the corporation shall be made only on the books of the corporation by the registered holder thereof in person or by attorney thereunto duly authorized in writing. Powers of attorney to transfer stock of the corporation shall be filed with the duly authorized transfer agent of the corporation, when appointed, and the certificates evidencing the stock to be transferred shall be surrendered to such transfer agent for cancellation, and shall be cancelled by it at the time of transfer.

Until transfer shall have been made as provided above, possession of a certificate evidencing stock of the corporation shall not vest any ownership of such certificate, or of the stock evidenced thereby, in any person other than the person in whose name said stock stands registered on the books of the corporation and the corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder thereof in fact and shall not be bound to recognize any equitable or other claim to or interest in any such share or shares on the part of any other person, whether or not it shall have express or other notice thereof. Notwithstanding the foregoing, the corporation shall have the power and is authorized to effect through the duly authorized transfer agent and registrar or otherwise transfers of stock of the corporation to various states or appropriate state authorities when applicable state laws of escheat or abandonment so require.

SECTION 2.5 LOST OR DESTROYED CERTIFICATES.

In case of the loss or destruction of an outstanding certificate of stock, another certificate for a like number of shares may be issued in place of the lost or destroyed certificate upon proof satisfactory to the board of directors or its delegate, and upon payment of the expenses, if any, incident to the issuance of such new certificate; provided, however, that the board of directors or its delegate, if it sees fit, may require that such lost or destroyed certificate be established as by the laws of Delaware in such cases made and provided, and further provided that, any provision of law to the contrary notwithstanding, the board of directors or its delegate may require the owner of such lost or destroyed certificate, or the legal representative of such owner, to give the corporation a bond sufficient, in the opinion of the board of directors or its delegate, to indemnify the corporation against and hold it harmless from any and all loss, damage, liability and claims (whether or not such claims be meritorious) on account of and with respect to such lost or destroyed certificate and the stock evidenced thereby and the issuance or establishment of such new certificate.

SECTION 2.6 NO PREEMPTIVE RIGHTS.

No holder of any stock of the corporation which shall at any time be outstanding shall have any preemptive rights to subscribe for or purchase additional shares of stock of the corporation of any class which at any time may be authorized or issued.

ARTICLE III.

MEETINGS OF STOCKHOLDERS

SECTION 3.1 ANNUAL MEETING.

The annual meeting of stockholders shall be held on the fourth Thursday in April of each year or at such other time as the board of directors shall specify, at such place, either within or without the State of Delaware, as may be designated by the board of directors from time to time, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these By-Laws.

To be properly brought before the meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board, (b) otherwise properly brought before the meeting by or at the direction of the board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided that if the board calls the annual meeting for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not later than the close of business on the 10th business day following the day on which the board gave such notice or made such public disclosure of the date of the annual meeting, whichever first occurs. Such stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Article III, provided, that nothing in this Article III shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting.

If business is not properly brought before the meeting in accordance with the provisions of this Article III, the Presiding Officer at an annual meeting shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 3.2 SPECIAL MEETINGS.

Special meetings of the stockholders shall be held at such times, and at such places, either within or without the State of Delaware, as shall be designated in the notice of call of the meeting, and may be called by the chairman of the board or the president at any time and must be called by the chairman of the board or the president whenever requested in writing by a majority of the board of directors.

SECTION 3.3 NOTICES OF MEETINGS.

Written or printed notices of every annual or special meeting of the stockholders shall be mailed to each stockholder of record at the close of business on the record date hereinafter provided for, at the address shown on the stock book of the corporation or its transfer agents, not less than ten nor more than sixty days prior to the date of such meeting. Notices of special meetings shall briefly state or summarize the purpose or purposes of such meetings, and no business except that specified in the notice shall be transacted at any special meeting. It shall not be necessary that notices of annual meetings specify the business to be transacted at such annual meetings, and any business of the corporation may be transacted at any annual meeting of the stockholders to the extent not prohibited by applicable law, the Certificate of Incorporation or these By-Laws.

SECTION 3.4 RECORD DATE.

It shall not be necessary to close the stock transfer books of the corporation for the purpose of determining the stockholders entitled to notice of and to participate in and vote at any meeting of the stockholders. In lieu of closing the stock transfer books of the corporation, and for all purposes that might be served by closing the stock transfer books, the board of directors may fix and declare a date not less than ten days nor more than sixty days prior to the date of any annual or special meeting as the record date for the determination of stockholders entitled to notice of and to participate in and vote at such meeting of the stockholders and any adjournment thereof; and the corporation and its transfer agents may continue to receive and record transfers of stock after any record date as so provided. In any such case, such stockholders, and only such stockholders as shall have been stockholders of record at the close of business on the record date shall be entitled to notice and to participate in and vote at any such meeting of the stockholders, notwithstanding any transfers of stock which may have been made on the books of the corporation or its transfer agents after such record date.

SECTION 3.5 QUORUM AND ADJOURNMENT.

Except as otherwise provided or required by law, by the Certificate of Incorporation or by these By-Laws, a quorum at any meeting of the stockholders shall consist of the holders of shares representing a majority of the number of votes entitled to be cast by the holders of all shares of stock then outstanding and entitled to vote, present in person or by proxy. If a quorum is not present at any duly called meeting, the Presiding Officer or the holders of a majority of the votes present may adjourn the meeting from day to day, or to a fixed date, without notice other than announcement at the meeting, but no other business may be transacted until a quorum is present; provided, however, that any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected, and further provided that those who attend the second of such adjourned meetings, although less than a quorum as fixed hereinabove, shall nevertheless constitute a quorum for the purpose of electing directors.

The stockholders present at a duly organized meeting at which a quorum is present at the outset may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to result in less than a quorum or the refusal of any stockholder present to vote.

The Presiding Officer may in his discretion defer voting on any proposed action and adjourn any meeting of the stockholders until a later date, provided such actions are otherwise permitted by law and are not inconsistent with the Certificate of Incorporation or other provisions of these By-Laws.

SECTION 3.6 VOTING RIGHTS AND PROXIES.

At all meetings of stockholders, whether annual or special, the holder of each share of common stock which is then outstanding and entitled to vote shall be entitled to one vote for each share held and the holder of each share of any series of preferred stock which is then outstanding shall be entitled to such voting rights, if any, and such number of votes, as shall be specified in the resolution or resolutions of the board of directors providing for the issuance of such series. Stockholders may vote at all such meetings in person or by proxy duly authorized in writing or by a transmission permitted by law filed in accordance with the procedures established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Except as otherwise specifically provided by law, by the Certificate of Incorporation or by these By-Laws, a majority of the valid votes present shall be necessary and sufficient to decide any question which shall come before any meeting of the stockholders. In case of any challenge of the right of a given stockholder to vote in person or by proxy, the Presiding Officer hereinafter provided for shall be authorized to make the appropriate determination, and his decision shall be final.

SECTION 3.7 PRESIDING OFFICER.

All meetings of the stockholders shall be presided over by the chairman of the board or, in the absence or disability of the chairman, by the president, or in his absence or disability, by the vice chairman, if any, or, in his absence or disability, by the senior director (in terms of length of service on the board of directors) present.

SECTION 3.8 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

A complete list of the stockholders entitled to vote, arranged in alphabetical order and indicating the number of shares held by each, shall be prepared by the secretary and shall be available at the place where any stockholders' meeting is being held, and shall be open to the examination of any stockholder for any proper purpose during the whole of such meeting.

ARTICLE IV.

BOARD OF DIRECTORS

SECTION 4.1 POWER AND AUTHORITY.

All of the corporate powers of this corporation shall be vested in and the business, property and affairs of the corporation shall be managed by, or under the direction of, the board of directors; and the board of directors shall be, and hereby is, fully authorized and empowered to exercise all of the powers of the corporation and to do, and to authorize, direct and regulate the doing of, any and all things which the corporation has the lawful right to do which are not by statute, the Certificate of Incorporation or these By-Laws expressly directed or required to be exercised or done by the stockholders.

SECTION 4.2 NUMBER, NOMINATION AND ELECTION OF DIRECTORS.

The board of directors shall consist of not less than five nor more than nineteen directors who shall be stockholders of the corporation. The members of the board of directors shall be elected by the stockholders at the annual meeting of stockholders, or at a duly convened adjournment thereof or at a special meeting of stockholders duly called and convened for that purpose, provided, however, that only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board of the corporation at the annual meeting or a duly convened adjournment thereof may be made by or at the direction of the board of directors, by any nominating committee or person appointed by the board, or by any stockholder of the corporation entitled to vote for the election of directors at the meeting or a duly convened adjournment thereof who complies with the notice procedures set forth in this Article IV. Such nominations, other than those made by or at the direction of the board, or by any nominating committee or person appointed by the board, shall be made pursuant to timely notice in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided that if the board calls the annual meeting for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not later than the close of business on the 10th business day following the day on which the board gave such notice or made such public disclosure of the date of the meeting, whichever first occurs. Such stockholder's notice to the secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the person and
(iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder and (ii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the qualifications of such proposed nominee to serve as director of the corporation. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth herein.

If a nomination is made that is not in accordance with the foregoing procedure, the Presiding Officer at an annual meeting shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 4.2.1 ELIGIBILITY, TENURE AND VACANCIES.

A nomination to serve as a director shall be accepted and votes cast for a nominee shall be counted only if the secretary has received, at least thirty days before the annual or a special meeting of stockholders, a statement signed by the nominee advising that he or she consents to being a nominee and, if elected, intends to serve as a director, and further provided that:

(a) Directors who are full-time employees of the company shall resign from the board coincident with their retirement from full-time employment.

(b) The age limit for directors not covered by subparagraph (a), above, or who, after resigning from the board upon retirement from full-time employment are re-elected to the board, shall be seventy-two, and such directors shall retire from the board as of the date and time of the annual meeting of stockholders which next follows their attainment of age seventy-two.

Each member of the board of directors shall hold office from the time of his election and qualification until the next annual meeting of the stockholders and until his successor shall have been elected and qualified; provided, however, that any member of the board of directors may be removed from such office by the stockholders at any time, with or without cause, at any meeting of the stockholders, duly called for such purpose, in which event a successor may be elected by the stockholders at such meeting or at any subsequent meeting of the stockholders duly called for such purpose.

The number of members of the board of directors may be increased or decreased at any time and from time to time to not less than five nor more than nineteen members by resolution adopted by the board of directors and in such event, and in the event any vacancy on the board of directors shall occur by death, resignation, retirement, disqualification or otherwise, additional or successor members of the board of directors may be elected by majority vote of the remaining members of the board of directors present in person at any duly convened meeting of said board.

Any director may resign at any time upon written notice to the corporation.

SECTION 4.3 REGULAR MEETINGS OF THE BOARD OF DIRECTORS.

The first organizational meeting of each newly-elected board shall be held at such time and place, either within or without the State of Delaware, as shall be fixed by the outgoing board of directors at or before its last regular meeting preceding the annual meeting of the stockholders, and no notice of such meeting shall be necessary to the newly-elected directors in order to constitute the meeting legally, provided that a majority of the whole board shall be present, and further provided that such newly-elected board may meet at such other place and time as shall be fixed by the consent in writing of all of the said directors.

At such organizational meeting the board, by a vote of a majority of all of the members thereof, shall elect a chairman from among its members. The chairman shall preside over all meetings of the board of directors, if present, and shall have such other powers and perform such other duties as may be assigned to him by the board from time to time. In his capacity as chairman of the board he shall not necessarily be an officer of the corporation but he shall be eligible to serve, in addition, as an officer pursuant to Section 5.1 of these By-Laws.

All meetings of the directors shall be presided over by the chairman of the board or, in his absence or disability, by the chief executive officer of the corporation if he is a member of the Board or, in his absence or disability, by the president if he is a member of the Board or, in his absence or disability, by the vice chairman, if any, or, in his absence or disability, by the senior director (in terms of length of service on the board of directors) present.

Regular meetings of the board of directors shall be held during the months of January, July and October, on such dates and at such places as the board by resolution or, failing such resolution, as the chairman of the board or, during his absence or disability, the president or the secretary of the corporation may determine, and if not previously specified in a board resolution, each director shall be advised in writing of the date, place and time of each such meeting at least two days in advance, unless such notice be waived in writing.

SECTION 4.4 SPECIAL MEETINGS.

Special meetings of the board of directors shall be held at such time and place, within or without the State of Delaware, as shall be designated in the call and notice of the meeting; and may be called by the chairman of the board, or in his absence or disability by the president or the secretary of the company, at any time, and must be called by the chairman, or in his absence or disability by the president or the secretary of the corporation, whenever so requested in writing by three or more members of the board. Notices of special meetings shall be given to each member of the board not less than twenty-four hours before the time at which each such meeting is to convene. Such notices may be given by telephone or by any other form of written or verbal communication. It shall not be necessary that notices of special meetings state the purposes or the objects of the meetings, and any business which may come before any duly called and convened special meeting of the board may be transacted at such meeting.

The members of the board of directors, before or after any meeting of the board, may waive notice thereof and, if all members of the board be present in person at any meeting or waive notice of the meeting, the fact that proper notice of the meeting was not given shall not in any way affect the validity of the meeting or the business transacted at the meeting.

SECTION 4.5 COMMITTEES APPOINTED BY THE BOARD.

A majority of the whole board may from time to time appoint (a) committees of the board, the membership of which shall consist entirely of board members and (b) other committees, the membership of which may be either a mixture of board and non-board members or entirely non-members of the board. All committees so appointed shall elect a chairman and keep regular minutes of their meetings and transactions and such minutes shall be accessible to all members of the board at all reasonable times.

No such committee shall have the power or authority to amend the Certificate of Incorporation (except that a committee may, to the extent authorized in a resolution of the board of directors providing for the issuance of shares of stock, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series); to adopt an agreement of merger or consolidation; to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution; to amend the By-Laws of the corporation; or, unless a resolution of the board of directors, the By-Laws or the Certificate of Incorporation expressly so provides, to declare a dividend or authorize the issuance of stock.

SECTION 4.6 MEETINGS OF COMMITTEES APPOINTED BY THE BOARD.

Meetings of any committee appointed by the Board shall be called by the secretary or any assistant secretary of the corporation (or, in the case of committees appointed by the board whose membership does not consist exclusively of board members, by such employee of the corporation as has been designated pursuant to By-Law 5.7 to record the votes and the minutes of such committee) upon the request of the chairman of the committee, the chairman of the Board, the chief executive officer of the corporation, or any two members of the committee. Notice of each such meeting shall be given in the same manner specified in Section 4.4 for special meetings of the board of directors.

SECTION 4.7 QUORUM AND VOTING.

A majority of the members of the board of directors or of any committee appointed by the board shall be present at any meeting of the board or such committee in order to constitute a quorum, and a majority of the members present at any duly constituted meeting of the board or such committee may decide any question which properly may come before the meeting, unless a different vote is specifically required by these By-Laws, the Certificate of Incorporation or applicable law.

SECTION 4.8 MEETING BY CONFERENCE TELEPHONE.

Members of the board of directors or any committee appointed by the board may participate in a meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in such meeting in such manner shall constitute presence in person at such meeting.

Notwithstanding the notice provisions of Sections 4.3, 4.4 and 4.6 above, participation in a meeting by means of conference telephone by a member of the board of directors or a committee appointed by the board shall constitute waiver of notice of the meeting by such director.

SECTION 4.9 ACTION WITHOUT MEETING.

Any action required or permitted to be taken at any meeting of the board of directors or any committee appointed by the board may be taken without a meeting if all of the directors or all of the members of such a committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the board of directors or of such committee.

SECTION 4.10 COMPENSATION.

A director shall receive such reasonable compensation for his services as a director or as a member of a committee appointed by the board of directors (including service as chairman of the board or as chairman of a committee of the board) as may be fixed from time to time by the board of directors and shall be reimbursed for his reasonable expenses, if any, in attending any meeting of the board of directors or such a committee. A director shall not be barred from also serving the corporation in any other capacity and receiving reasonable compensation therefor.

ARTICLE V.

OFFICERS

SECTION 5.1 ELECTION, QUALIFICATION, TENURE AND COMPENSATION.

The officers of the corporation shall be elected by the board of directors and shall include a president, one or more vice presidents (one or more of whom may be designated as an executive vice president or senior vice president), a secretary, a comptroller, a treasurer and such other officers, including a vice chairman, as from time to time the board of directors shall deem necessary or desirable. At the discretion of the board, the chairman of the board may also be elected under the same title as an officer of the corporation.

The chairman of the board and president (and the vice chairman, if any) shall be, and the other officers may be but need not be, members of the board of directors and stockholders.

Unless otherwise provided by the board of directors, each officer shall hold office from the time of his election until his successor shall have been elected and qualified, provided, however (except as otherwise provided in a contract duly authorized by the board of directors), any officer may be removed from office by the board of directors at any time, with or without cause, and any officer may resign at any time upon written notice to the corporation. Any two offices may be united in any one person, provided that no person shall act in more than one capacity in any one transaction.

The compensation of all officers shall be fixed and determined by the board of directors or pursuant to its delegated authority.

From time to time the board of directors, or its delegates, may appoint such other agents, for such terms and with such rights, powers and authorities, on such conditions, subject to such limitations and restrictions and at such compensation as shall seem right and proper to it or them, and any such agent may be removed from office by the board of directors or its delegates at any time, with or without cause.

SECTION 5.2 CHIEF EXECUTIVE OFFICER.

From time to time the board of directors shall designate by resolution either the chairman of the board, if elected as an officer of the corporation, or the president to act as the chief executive officer of the corporation. The chief executive officer shall have responsibility for the active and general management of the corporation and such authorities and duties as are usually incident to the office of chief executive officer and as from time to time shall be specified by the board of directors. He shall prescribe the duties of all subordinate officers, agents and employees of the company to the extent not otherwise prescribed by the Certificate of Incorporation, the By-Laws or the board of directors. Such designation shall continue in full force and effect until modified or rescinded by further resolution of the board.

SECTION 5.3 CHAIRMAN OF THE BOARD.

The chairman of the board shall preside over all meetings of the board of directors and the stockholders of the corporation. He shall have such other authorities and duties as are usually incident to the office of chairman of the board and as from time to time shall be specifically directed by the board of directors. Except where by law the signature of the president is required, the chairman of the board shall possess the same power as the president to sign all certificates, contracts and other instruments of the corporation which may be authorized by the board of directors. During the absence or disability of the president, if the chairman has been elected as an officer of the corporation he shall exercise all of the powers and discharge all of the duties of the president. If the chairman has not been elected as an officer of the corporation, then the provisions of Section 5.6 shall apply.

SECTION 5.4 PRESIDENT.

Subject to the powers and duties hereinbefore delegated to the chairman of the board, and to the powers and duties hereinbefore delegated to the chief executive officer if the chairman of the board is designated by the board of directors to act as chief executive officer, the president shall direct the operations of the company. He shall have such other authorities and duties as are usually incident to the office of president and as, from time to time, shall be specifically directed by the board of directors. During the absence or disability of the chairman, the president shall exercise all of the powers and discharge all of the duties of the chairman.

SECTION 5.5 VICE CHAIRMAN OF THE BOARD.

The vice chairman of the board, if any, who shall be an officer of the corporation, shall have such specific powers, duties and authority, and shall perform such administrative and executive duties as, from time to time, may be assigned by the board of directors, or the chief executive officer.

SECTION 5.6 ABSENCE OR DISABILITY OF CHAIRMAN AND PRESIDENT.

In the absence or disability of both the chairman of the board if he has been elected an officer of the corporation, and the president, or in the absence or disability of the president if the chairman has not been elected as an officer of the corporation, the vice chairman, if any, or if there is no vice chairman, an officer previously designated in writing by the chief executive officer or, in the absence of such designation, an officer designated by the board of directors, shall exercise all of the powers and discharge all of the duties of the said officer or officers until one or both return to active duty or until the board of directors authorizes another person or persons to act in their capacities.

SECTION 5.7 SECRETARY.

The secretary or an assistant secretary shall record the votes and the minutes, in books to be kept for that purpose, of all meetings of the stockholders, of the board of directors, and of those committees of the board of directors whose membership is confined to members of the board, provided, however, that in the absence of the secretary and the assistant secretaries the chairman of any such meeting may designate another officer of the company to act as secretary of that meeting. Any employee of the corporation may be designated by committees which are appointed by the board, but whose membership is not confined to members of the board, to record the votes and minutes of the proceedings of such committees in books to be kept for that purpose. The secretary or an assistant secretary shall give or cause to be given, notice of all meetings of the stockholders, the board of directors and committees of the board of directors. The secretary and assistant secretaries shall keep in safe custody the seal of the corporation and shall affix the same to any instrument requiring it and, when required, it shall be attested by his signature or by the signature of an assistant secretary. In the absence or disability of the secretary and all assistant secretaries, the seal may be affixed and the instrument attested by any vice president. The secretary also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.8 ASSISTANT SECRETARIES.

In the absence or disability of the secretary, an assistant secretary, if specifically designated and directed by the chairman of the board or the president, shall perform the prescribed duties and functions of the secretary. The assistant secretaries also shall have such specific powers and authorities and shall perform such other duties and functions as from time to time may be assigned by the board of directors, or the chief executive officer.

SECTION 5.9 COMPTROLLER.

The comptroller shall cause to be kept full and accurate books and accounts of all assets, liabilities and transactions of the corporation. The comptroller shall establish and administer an adequate plan for the control of operations, including systems and procedures required to properly maintain internal controls on all financial transactions of the corporation. The comptroller shall prepare, or cause to be prepared, statements of the financial condition of the corporation and proper profit and loss statements covering the operations of the corporation and such other and additional financial statements, if any, as the chief executive officer or the board of directors from time to time shall require. The comptroller also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.10 TREASURER.

The treasurer shall be responsible for the custody and care of all the funds and securities of the corporation and shall cause to be kept full and accurate books and records of account of all receipts and disbursements of the corporation. The treasurer shall cause all money and other valuable effects of the corporation to be deposited in the name and to the credit of the corporation in such depositories as shall be designated from time to time by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, or the chief executive officer. The treasurer also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.11 ASSISTANT TREASURERS.

In the absence or disability of the treasurer, an assistant treasurer, if any, or any other officer of the corporation, if specifically designated and directed by the chairman of the board or the president, shall perform the prescribed duties and functions of the treasurer. Any such assistant treasurer also shall have such specific powers and authorities and shall perform such other duties and functions as from time to time shall be assigned by the board of directors, or the chief executive officer of the corporation.

SECTION 5.12 BONDS.

Any officer or agent of the corporation shall furnish to the corporation such bond or bonds, with security for the faithful performance of his duties, as from time to time may be required by the board of directors.

ARTICLE VI.

CORPORATE SEAL

SECTION 6.1 CORPORATE SEAL.

The corporate seal shall have inscribed thereon the name of the corporation, the word "SEAL" and the word "Delaware". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VII.

FISCAL YEAR

SECTION 7.1 FISCAL YEAR.

The fiscal year of the corporation shall commence on the first day of January of each calendar year and shall end on the thirty-first day of December of such year.

ARTICLE VIII.

DIVIDENDS

SECTION 8.1 $1.50 PAR VALUE COMMON STOCK.

Dividends may be paid on the $1.50 par value common stock of the corporation in such amounts and at such times as the board of directors shall determine.

SECTION 8.2 RECORD DATE FOR PAYMENT OF DIVIDENDS.

It shall not be necessary to close the stock transfer books of the corporation for the purpose of determining the stockholders entitled to receive payment of any dividend on the stock of the corporation; but in lieu of closing the stock transfer books, and for all purposes that might be served by closing the stock transfer books, the board of directors, in declaring any dividend on the common stock, shall fix either the date on which the dividend is declared or a date between that date and the date on which the dividend is to be paid as the record date for determining stockholders entitled to receive payment of said dividend; and the corporation and its transfer agents may continue to receive and record transfers of stock after the record date so fixed and determined but, in any such case, such stockholders and only such stockholders as shall have been stockholders of record at the close of business on the record date so fixed and determined by the board of directors shall be entitled to receive payment of said dividend, notwithstanding any transfer of any stock which may have been made on the books of the corporation or its transfer agents after said record date.

ARTICLE IX.

FINANCIAL TRANSACTIONS AND EXECUTION OF INSTRUMENTS IN WRITING

SECTION 9.1 DEPOSITORIES.

The funds and securities of the corporation shall be deposited, in the name of and to the credit of the corporation, in such banks, trust companies and other financial institutions as shall from time to time be determined and designated by the board of directors or its delegate.

SECTION 9.2 WITHDRAWALS AND PAYMENTS.

All checks and orders for the withdrawal or payment of funds of the corporation, shall be signed in the name of the corporation in such manner and form and by such officer, officers or other employees as from time to time may be authorized and provided by the board of directors or its delegate. Facsimile signatures may be used when authorized by the board or its delegate.

It shall be the duty of the secretary, an assistant secretary or the corporation's official in charge of internal auditing to certify to the designated depositories of the funds and securities of the corporation the names and signatures of the officers and other employees of the corporation who, from time to time, are authorized to sign checks, drafts or orders for the withdrawal of funds and/or securities. No check, drafts or order for the withdrawal or payment of funds of the corporation shall be signed in blank.

SECTION 9.3 EVIDENCE OF INDEBTEDNESS AND INSTRUMENTS UNDER SEAL.

Unless otherwise authorized by the board of directors, all notes, bonds, and other evidences of indebtedness of the corporation, and all deeds, indentures, contracts and other instruments in writing required to be executed under the seal of the corporation, shall be signed in the name and on behalf of the corporation by the chairman of the board, the president, the vice chairman, if any, or a vice president of the corporation and shall be attested by the secretary or an assistant secretary.

ARTICLE X.

BOOKS AND RECORDS

SECTION 10.1 LOCATION.

The books, accounts and records of the corporation, except as may be otherwise required by the laws of the State of Delaware, may be kept outside of the State of Delaware, at such place or places as the board of directors may from time to time appoint.

SECTION 10.2 INSPECTION.

Except as otherwise required by law, the board of directors or its delegate shall determine whether and to what extent the books, accounts and records of the corporation, or any of them other than the stock books, shall be open to the inspection of the stockholders.

ARTICLE XI.

TRANSACTIONS WITH OFFICERS AND DIRECTORS

SECTION 11.1 VALIDATION.

Contracts and all other transactions, including but not limited to purchases and sales, by and between this corporation and one or more of its officers or directors, or by and between this corporation and any firm, partnership, association or corporation of which one or more of the officers or directors of this corporation shall be members, partners, officers or directors or in which one or more of the officers or directors of this corporation shall be interested, shall be valid, binding and enforceable, and shall not be voidable by this corporation or its stockholders notwithstanding the participation of any such interested director in any meeting of the board of directors of this corporation at which such contract or other transaction shall be considered, acted upon or authorized, and notwithstanding the participation of any such interested officer or director in the making or performance of such contract or transaction, if the material facts of such interest shall be disclosed to or be known by the members of the board of directors of this corporation who shall be present at the meeting of said board at which such contract or transaction, and such participation therein, shall be authorized or approved and if the board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum.

ARTICLE XII.

AMENDMENT, REPEAL OR ALTERATION

SECTION 12.1 AMENDMENT, REPEAL OR ALTERATION.

These By-Laws may be amended, repealed or altered, in whole or in part, by a majority of the valid votes cast at any duly convened regular annual meeting of the stockholders or at any duly convened special meeting of stockholders when such object shall have been announced in the call and notice of the meeting. These By-Laws also may be amended, repealed or altered by vote of a majority of the whole board of directors at any duly convened meeting of the board of directors; provided, however, that any such action of the board of directors may be repealed by the stockholders. The repeal of any such action of the board of directors by the stockholders, however, shall not invalidate or in anywise affect the validity of any act or thing done in reliance upon said action of the board of directors.

EMERGENCY BY-LAWS

ADOPTED OCTOBER 27, 1967

Subject to repeal or change by the stockholders, and notwithstanding any different provision contained in the Delaware Corporation Law or in the Certificate of Incorporation or By-Laws of this corporation, the following emergency by-laws shall be operative in any emergency arising from an attack on the United States or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or stockholders, or during any atomic or nuclear disaster or during the existence of any catastrophe or other similar emergency condition as a result of which a quorum of the board of directors cannot readily be convened for action.

1. In the event of emergency or disaster as described above, an emergency board of directors shall forthwith assume direction and control of the affairs of the corporation.

2. Such emergency board of directors shall consist of all living directors, and meetings of the emergency board may be called by the chairman of the board, the president, the vice chairman or the secretary or, in the event of the death or inability of any of the four to act, by any surviving director with the capacity and ability to act.

3. To the extent possible, notice of emergency board meetings shall be given in each instance to each known living member of the board at his last known business address, either orally or in writing delivered personally or by mail, telegraph, telephone or radio, or by publication; provided however, that if notice by such means is impossible insofar as specific individual directors are concerned, then the person calling the meeting shall give such directors such notice as is reasonably possible under the circumstances.

4. At any properly called meeting of the emergency board a quorum shall not be necessary, and the acts of a majority of the members of the emergency board present shall be and shall constitute the acts of the emergency board.

5. During its existence, the emergency board shall have the following powers:

(a) To appoint officers and agents of the corporation and to determine their compensation and duties;

(b) To borrow money and to issue bonds, notes or other obligations and evidence of indebtedness therefor;

(c) To determine questions of general policy with respect to the business of the corporation;

(d) To call stockholders' meetings; and

(e) To take all actions and to do all things necessary to preserve the corporation as an operating entity, and to direct and control its affairs and operations, until the regular board of directors has been reconstituted, either by the passage of time, by action of the stockholders, or otherwise in accordance with law.

6. No officer, director or employee acting in accordance with these emergency by-laws shall be liable to the corporation or its stockholders with respect to action taken under power granted herein except for willful misconduct.

7. As soon as reasonably possible following the creation of an emergency board of directors, if it appears clear that such action is required because of the number of directors killed or indefinitely incapacitated, the emergency board shall call a regular or special meeting of the stockholders of the corporation for the election of a new board of directors, or otherwise to reconstitute the board, and upon the election and qualification or reconstitution of such board, the emergency board established pursuant to these emergency by-laws shall cease and terminate and the direction and control of the affairs of the corporation shall vest in such new or reconstituted board of directors.

8. To the extent not inconsistent with these emergency by-laws, the regular by-laws of the corporation shall remain in effect during the emergency.

EXHIBIT 10.6

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT UNDER THE 1989 STOCK INCENTIVE PLAN

July 27, 2000

[Name]

The 1989 Stock Incentive Plan, as amended (the "Plan"), is a stock-based incentive compensation plan for officers and key employees of Delta Air Lines, Inc. (the "Company") and its Subsidiaries. The Plan is administered by the Personnel & Compensation Committee of the Company's Board of Directors (the "Committee"). The Committee has selected you to receive an award of a Non-Qualified Stock Option under Section 5 of the Plan, effective as of July 27, 2000, and has requested me, on behalf of the Company, to provide this Agreement to you.

In consideration of the mutual covenants herein contained and for other good and valuable consideration, the Company and you, as an employee of the Company or one or more of its Subsidiaries, hereby agree as follows:

1. Grant of Award; Acknowledgments; Capitalized Terms. The Company hereby grants to you a Non-Qualified Stock Option ("Stock Option") covering XX,XXX shares (the "Option Shares") of Stock, as defined in the Plan, a copy of which has been provided to you. This award is in all respects made subject to the terms and conditions of the Plan and, in the event of any conflict between the Plan and this Agreement, the Plan shall control. You acknowledge that you (a) have had a full and adequate opportunity to read this Agreement and the Plan;
(b) agree to all of the terms and conditions thereof for yourself, any designated beneficiary and your heirs, executors, administrators or personal representatives; and (c) have received, and had a full and adequate opportunity to read, the Prospectus relating to the Plan. Capitalized terms which are used but not defined in this Agreement shall have the meanings set forth in the Plan.

2. Option Price. The Option Price of the Stock Option covered by this award shall be $52.7500, the closing price of the Stock on the New York Stock Exchange on July 27, 2000, the date of this award.

3. Exercise Period - General Rule. Subject to the terms and conditions of the Plan and this Agreement, the Stock Option (a) shall become exercisable with respect to 25% of the Option Shares on each of July 27, 2001, 2002, 2003 and 2004; and (b) shall be exercisable through and including July 26, 2010.

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4. Special Rules Regarding Stock Option Exercise Period. The Stock Option exercise period set forth in Paragraph 3 of this Agreement is subject to the following terms and conditions (which shall apply in lieu of the provisions of Section 10 of the Plan):

a. Termination of Employment Because of Retirement or Disability. If your employment with the Company terminates due to Retirement or Disability, the Stock Option (whether or not then exercisable under Paragraph 3 of this Agreement) may be exercised, in whole or in part, to the extent not previously exercised, forfeited, revoked or modified, only during the period (i) beginning on the later of (A) July 27, 2001 or (B) the date your employment with the Company terminates due to Retirement or Disability; and (ii) ending on and including the earlier of (A) July 26, 2010 or (B) the third anniversary of the date your employment with the Company terminates due to Retirement or Disability.

b. Termination of Employment Because of Death. If you die while employed by the Company, the Stock Option (whether or not then exercisable under Paragraph 3 of this Agreement) may be exercised, in whole or in part, to the extent not previously exercised, forfeited, revoked or modified, only during the period (i) beginning on the date of your death; and (ii) ending on and including the earlier of (A) July 26, 2010 or (B) the third anniversary of the date of your death.

c. Death After Termination of Employment Because of Retirement or Disability. If you die after your employment with the Company terminates due to Retirement or Disability, the Stock Option (whether or not then exercisable under Paragraph 4(a) of this Agreement) may be exercised, in whole or in part, to the extent not previously exercised, forfeited, revoked or modified, only during the period (i) beginning on the date of your death; and (ii) ending on and including the earlier of (A) July 26, 2010 or (B) the third anniversary of the date your employment with the Company terminates due to Retirement or Disability.

d. Termination of Employment for Reasons Other than Retirement, Disability or Death. If your employment with the Company terminates for any reason other than Retirement, Disability or death, the Stock Option (whether or not then exercisable under Paragraph 3 of this Agreement), to the extent not previously exercised, shall be forfeited at the time of such termination of employment.

e. Definition of Retirement. For purposes of Paragraphs 4 and 8 of this Agreement, "Retirement" means retirement from employment with the Company or any of its Subsidiaries pursuant to the qualified defined benefit retirement plan of such entity applicable to you. If you are an Employee of a Subsidiary of the Company which does not have in effect a qualified defined benefit retirement plan at the time you cease employment with such Subsidiary (other than cessation of employment due to death, Disability, or transfer to the Company or any of its other Subsidiaries), Retirement from such Subsidiary shall mean your cessation of employment with that Subsidiary at or after age 55.

f. Definitions. For purposes of Paragraphs 4 and 8 of this Agreement, (i) employment with the Company includes employment with any Subsidiary of the Company; and (ii) termination of employment with the Company means you are no longer an employee of the Company or any of its Subsidiaries.

5. Stock Option Exercise Procedures. Subject to the terms and conditions of the Plan and this Agreement, you (or, pursuant to Paragraph 7 of this Agreement, a party acting on your behalf after your death) may exercise the Stock Option in whole or, from time to time, in part pursuant to the procedures described in the Prospectus relating to the Plan or as otherwise specified by the Company from time to time. Payment of the full purchase price of the shares of Stock covered by the exercise shall be made in the manner prescribed by the Committee from time to time. If the Committee, in its sole discretion, shall determine that it is appropriate to do so, such payment may be made in whole or in part by tender of shares of unrestricted Stock, as set forth in Section 5 of the Plan, subject to such requirements or procedures as the Committee may specify.

6. Tax Withholding. The Company may in its sole discretion withhold from the shares of Stock issued to you a sufficient number of shares of Stock based on its fair market value on the date of exercise to cover any amounts which the Company is required to withhold to comply with withholding requirements of federal, state, local or foreign tax laws, rules or regulations. The fair market value for purposes of the second sentence of this paragraph shall be as determined by the Committee.

7. Restrictions on Transferability. The Stock Option is not transferable otherwise than by will, by the laws of descent and distribution, or by a written designation referred to in Section 10(c) of the Plan, and is exercisable during your lifetime only by you. In the event that the Stock Option is to be exercised by any person other than you, the written notice referred to in Paragraph 5 of this Agreement shall be accompanied by appropriate proof of the right of such person to exercise the Stock Option.

8. Forfeiture, Revocation or Modification of Award. In addition to Paragraph 4(d) of this Agreement (and in lieu of the provisions of Section 10 of the Plan), the Stock Option shall be subject to forfeiture, revocation or modification as follows:

a. Non-Competition Agreement After Early Retirement. If your employment with the Company terminates due to Retirement prior to age 65, if you are not then on the pilot seniority list of the Company or any of its Subsidiaries, or age 60, if you are then on such a seniority list, and, within two years after such Retirement and without the Committee's approval, you directly or indirectly provide management or executive services (whether as a consultant, advisor, officer or director) to any Person who is in direct and substantial competition with the air transportation business of the Company or its Subsidiaries, the Stock Option (whether or not then exercisable under Paragraph 4(a) of this Agreement) shall be forfeited at the time you first provide such management or executive services. Because of the broad and extensive scope of the Company's air transportation business, you acknowledge that the restrictions in this paragraph are intended to extend to management or executive services which are directly related to the provision of air transportation services into, within or from the United States, as no smaller geographical restriction will adequately protect the legitimate business interests of the Company.

b. Demotion. If, prior to July 27, 2004, you voluntarily suggest and then accept a demotion, or are involuntarily demoted, to a position with the Company or any of its Subsidiaries involving lesser responsibilities than those of the job held by you on July 27, 2000, the Committee may in its sole discretion, not later than six months from the date of the demotion, revoke or modify the Stock Option in any manner it deems appropriate under the circumstances. The Committee will determine in its sole discretion what constitutes a demotion to a job involving lesser responsibilities under this paragraph.

9. Federal Securities Law; Company Policies. You acknowledge that the federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell shares of Stock, including, without limitation, sales of Stock to exercise the Stock Option or sales of Stock acquired pursuant to the exercise of the Stock Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

10. Miscellaneous

a. Authority of the Committee. The Committee has the sole and complete authority to construe and interpret the Plan and this Agreement. All determinations of the Committee shall be final and conclusive for all purposes and upon all persons. The Committee shall be under no obligation to construe this Agreement or treat the Stock Option in a manner consistent with the treatment provided with respect to other Stock Options or Participants.

b. No Rights as Shareholder. You will not have any rights to dividends nor any other rights of a shareholder with respect to the Option Shares until the Option Shares have been issued following a valid exercise of the Stock Option.

c. Entire Agreement. Subject to any written executive retention protection agreement, if any, entered into between and executed by you and the Company, this Agreement and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof. This Agreement may not be amended except by a writing signed by the parties.

This Agreement has been prepared in duplicate. Please note your acceptance in the space provided therefor and return one original to the Vice President - Global Rewards & Recognition (Dept. 959-ATG) for the Company's records.

IN WITNESS WHEREOF, the Company, acting through the Committee, and you have executed this Agreement, all as of the date first written above.

DELTA AIR LINES, INC.

By:

Leo F. Mullin Chairman of the Board and Chief Executive Officer

PARTICIPANT

EXHIBIT 10.7

PERFORMANCE-BASED RESTRICTED STOCK AWARD AGREEMENT UNDER THE 1989 STOCK INCENTIVE PLAN

July 27, 2000

[Name]

The 1989 Stock Incentive Plan, as amended (the "Plan"), is a stock-based incentive compensation plan for officers and key employees of Delta Air Lines, Inc. ("Delta") and its Subsidiaries. The Plan is administered by the Personnel & Compensation Committee of Delta's Board of Directors (the "Committee"). The Committee has selected you to receive an Other Stock-Based Award (as described below) under Section 8 of the Plan, effective as of July 27, 2000, and has requested me, on behalf of Delta, to provide this Agreement to you.

In consideration of the mutual covenants herein contained and for other good and valuable consideration, Delta and you, as an employee of Delta or one or more of its Subsidiaries, hereby agree as follows:

1. Grant of Target Award; Acknowledgments; Capitalized Terms. Delta hereby grants to you a target award (the "Target Award") of performance-based restricted stock with respect to XX,XXX shares of Stock, as defined in the Plan, a copy of which has been provided to you. The Target Award is in all respects made subject to the terms and conditions of the Plan and, in the event of any conflict between the Plan and this Agreement, the Plan shall control. You acknowledge that you (a) have had a full and adequate opportunity to read this Agreement and the Plan; (b) agree to all of the terms and conditions thereof for yourself, any designated beneficiary and your heirs, executors, administrators or personal representatives; and (c) have received, and had a full and adequate opportunity to read, the prospectus relating to the Plan. Capitalized terms which are used but not defined in this Agreement shall have the meanings set forth in the Plan. The term "Agreement" means this Agreement, including Exhibits A, B, C and D hereto.

2. Nature of Target Award. The Target Award represents the opportunity, expressed as a number of shares of Stock, to receive a payout of shares of Stock, or a combination of cash and shares of Stock. This opportunity is subject to the terms and conditions of the Plan and this Agreement.

3. Performance Measurement Criteria. The potential payout with respect to the Target Award (the "Potential Payout Award") is based on (a) the Target Award; and (b) Delta's U.S. Department of Transportation performance rank ("DOT Performance Rank") and total shareholder return rank ("Total Shareholder Return Rank") relative to certain peer companies (the "Peer Groups") during the applicable measurement period (the "Measurement Period"), as determined in accordance with this Agreement. Exhibit A of this Agreement describes the Peer Groups and the Measurement Period for purposes of determining Delta's DOT Performance

Rank and Total Shareholder Return Rank. Exhibits B and C describe the methodology for determining Delta's DOT Performance Rank and Total Shareholder Return Rank, respectively.

4. Potential Payout Award. The Potential Payout Award for the applicable Measurement Period will be determined in accordance with the following formula, rounded to the nearest whole number:

Potential Payout Award = Potential Payout Percentage X Target Award

The "Potential Payout Percentage" is the percentage set forth in the applicable box of the following Performance Matrix Table, based on Delta's DOT Performance Rank and Total Shareholder Return Rank for the applicable Measurement Period:

PERFORMANCE MATRIX TABLE: PERCENT OF TARGET AWARD ELIGIBLE TO BE RECEIVED

Delta's DOT Performance Rank vs. Applicable Peer Group for Measurement Period					
1st or 2nd	0%	80%	110%	150%	200%
3rd or 4th	0%	60%	90%	120%	160%
5th or 6th	0%	40%	70%	100%	130%
7th or 8th	0%	0%	50%	80%	110%
9th or 10th	0%	0%	0%	0%	0%
	9th or 10th	7th or 8th	5th or 6th	3rd or 4th	1st or 2nd
	Delta's Total Shareholder Return Rank vs. Applicable Peer Group for Measurement Period				

See Exhibit D of this Agreement for an illustrative calculation of the Potential Payout Award.

5. Special Rules Regarding Termination of Employment and Demotion.

a. Termination of Employment Because of Retirement, Disability or Death. If, prior to June 30, 2003, your employment with Delta terminates due to Retirement, Disability or death, you or your beneficiary or estate, as the case may be, shall be eligible to receive only that proportion of the Potential Payout Award for the applicable Measurement Period (as determined in accordance with Exhibit A of this Agreement) that the number of full months from July 1, 2000 through the date of termination of your employment bears to 36.

b. Termination of Employment for Reasons Other than Retirement, Disability or Death. If, prior to June 30, 2003, your employment with Delta terminates for any reason other than Retirement, Disability or death, (i) the Target Award shall be forfeited at the time of such termination of employment; and (ii) you shall not receive an Actual Payout Award (as defined in Paragraph 6 of this Agreement).

c. Demotion. If, prior to June 30, 2003, you voluntarily suggest and then accept a demotion, or are involuntarily demoted, to a position with Delta involving lesser responsibilities than those of the job held by you on July 27, 2000, the Committee may in its sole discretion, not later than six months from the date of the demotion, revoke or modify the Target Award in any manner it deems appropriate under the circumstances. The Committee will determine in its sole discretion what constitutes a demotion to a job involving lesser responsibilities under this paragraph.

d. Definition of Retirement. For purposes of Paragraph 5 and Exhibit A of this Agreement, "Retirement" means retirement from employment with Delta or any of its Subsidiaries pursuant to the qualified defined benefit retirement plan of such entity applicable to you. If you are an Employee of a Subsidiary of Delta which does not have in effect a qualified defined benefit retirement plan at the time you cease employment with such Subsidiary (other than cessation of employment due to death, Disability, or transfer to Delta or any of its other Subsidiaries), Retirement from such Subsidiary shall mean your cessation of employment with that Subsidiary at or after age 55.

e. Other Definitions. For purposes of Paragraph 5, Paragraph 8 and Exhibit A of this Agreement, (i) employment with Delta includes employment with any Subsidiary of Delta; and (ii) termination of employment with Delta means you are no longer an employee of Delta or any of its Subsidiaries.

6. Committee Discretion to Reduce Actual Payout Award. Except as provided in (a) Paragraph 8 of this Agreement, (b) Section 9 of the Plan or (c) any written executive retention agreement, if any, entered into between and executed by you and Delta, the Committee may in its sole discretion eliminate or reduce (to any whole number less than the Potential Payout Award) the actual payout under this Agreement. The actual payout after any such reduction is referred to in this Agreement as the "Actual Payout Award."

7. Form and Timing of Actual Payout Award. The Actual Payout Award entitles you to a payout of shares of Stock determined in accordance with this Agreement. Subject to such terms and conditions as the Committee may establish, you may elect to receive cash in lieu of 40% of the shares of Stock to which you are entitled pursuant to the preceding sentence. Unless the Committee determines otherwise, the Actual Payout Award shall be paid within 75 calendar days following the close of the applicable Measurement Period.

8. Change in Control. Upon the occurrence, prior to June 30, 2003, of a Change in Control (as defined in the Plan) while you are employed by Delta, the Actual Payout Award shall be the greater of (a) the Potential Payout Award for the applicable Measurement Period (as determined in accordance with Exhibit A of this Agreement) and (b) the Target Award, in each case prorated to reflect the proportion that the number of full months from July 1, 2000 through the date of the Change in Control bears to 36. In these circumstances, the Actual Payout Award shall be paid promptly after the occurrence of the Change in Control in the form determined under Paragraph 7 of this Agreement.

9. Tax Withholding. Delta shall withhold from the Actual Payout Award, if any, a sufficient amount to cover any amounts which Delta is required to withhold to comply with requirements of federal, state, local or foreign tax laws, rules or regulations. Delta shall satisfy this requirement (a) to the fullest extent possible by withholding from the cash portion, if any, of the Actual Payout Award; and (b) if any additional withholding is required or if you did not receive a cash payout, by withholding a sufficient number of shares of Stock (based on its fair market value as determined by the Committee) from the Actual Payout Award.

10. Restrictions on Transferability. The Target Award and the Potential Payout Award are not transferable otherwise than (a) by will; (b) by the laws of descent and distribution; or (c) by a written designation referred to in Section 10(c) of the Plan.

11. Federal Securities Law; Company Policies. You acknowledge that the federal securities laws and/or Delta's policies regarding trading in its securities may limit or restrict your right to buy or sell shares of Stock. You agree to comply with such federal securities law requirements and Delta policies, as such laws and policies are amended from time to time.

12. Miscellaneous

a. Authority of the Committee. The Committee has the sole and complete authority to construe and interpret the Plan and this Agreement. All determinations of the Committee shall be final and conclusive for all purposes and upon all persons. The Committee shall be under no obligation to construe this Agreement or to treat any award covered by this Agreement in a manner consistent with the treatment provided with respect to any other award or Participant.

b. Unfunded Obligation. Obligations of Delta arising under this Agreement, if any, shall be unfunded and unsecured. You shall have no rights greater than the rights of a general, unsecured creditor of Delta with respect to any award covered by this Agreement.

c. No Rights as Shareholder. You shall have no voting rights, shall not accrue any dividends or other distributions paid, and shall have no other rights as a shareholder, with respect to any shares of Stock subject to an award under this Agreement prior to the date such shares are actually issued to you.

d. Entire Agreement. Subject to any written executive retention protection agreement, if any, entered into between and executed by you and Delta, this Agreement and the Plan constitute the entire agreement between you and Delta with respect to the subject matter hereof. This Agreement may not be amended except by a writing signed by the parties. Nothing in this Agreement shall be deemed to modify or amend any retention protection agreement referred to in the first sentence of this Paragraph 12(d).

This Agreement has been prepared in duplicate. Please note your acceptance in the space provided therefor and return one original to the Vice President - Global Rewards and Recognition (Department 959-ATG) for Delta's records.

IN WITNESS WHEREOF, Delta, acting through the Committee, and you have executed this Agreement, all as of the date first written above.

DELTA AIR LINES, INC.

By:

Leo F. Mullin Chairman of the Board and Chief Executive Officer

PARTICIPANT

EXHIBIT A

PEER GROUPS

The Peer Groups for determining Delta's DOT Performance Rank and Total Shareholder Return Rank are as follows:

DOT PERFORMANCE RANK PEER GROUP	TOTAL SHAREHOLDER RETURN RANK PEER GROUP
- Alaska Airlines, Inc.	- Alaska Air Group, Inc.
- America West Airlines, Inc.	- America West Holdings Corporation
- American Airlines, Inc.	- AMR Corporation
- Continental Airlines, Inc.	- Continental Airlines, Inc.
- Northwest Airlines, Inc.	- Northwest Airlines Corporation
- Southwest Airlines Co.	- Southwest Airlines Co.
- Trans World Airlines, Inc.	- Trans World Airlines, Inc.
- United Air Lines, Inc.	- UAL Corporation
- US Airways, Inc.	- US Airways Group, Inc.

MEASUREMENT PERIOD

- GENERAL RULE. The Measurement Period for determining Delta's DOT Performance Rank and Total Shareholder Return Rank is the period beginning on July 1, 2000 and, subject to the following two paragraphs, ending on and including June 30, 2003.

- TERMINATION OF EMPLOYMENT BECAUSE OF RETIREMENT, DISABILITY OR DEATH. If, prior to June 30, 2003, your employment with Delta terminates because of Retirement, Disability or death, the Measurement Period shall end (1) for purposes of determining Delta's DOT Performance Rank, as of the end of the last complete month preceding such termination of employment; and (2) for purposes of determining Delta's Total Shareholder Return Rank, on the date of such termination of employment.

- CHANGE IN CONTROL. If, prior to June 30, 2003, there is a Change in Control while you are employed by Delta, the Measurement Period shall end (1) for purposes of determining Delta's DOT Performance Rank, as of the end of the last complete month preceding such Change in Control for which the U.S. Department of Transportation ("DOT") has reported the information used to determine Delta's DOT Performance Rank; and (2) for purposes of determining Delta's Total Shareholder Return Rank, on the date of such Change in Control.

EXHIBIT B

DETERMINATION OF DOT PERFORMANCE RANK

The DOT Performance Rank for the Measurement Period for Delta and each airline in the DOT Performance Rank Peer Group (each airline, including Delta, an "Airline") will be based on DOT reported information regarding each Airline's
(1) on-time arrival performance; (2) consumer complaint record; and (3) mishandled baggage rate (collectively, the "DOT Performance Measures").(1) A description of the DOT Performance Measures and the methodology for calculating each Airline's DOT Performance Rank follows.(2)

- ON-TIME ARRIVAL PERFORMANCE. An Airline's on-time arrival performance for a particular month is measured by the percentage (rounded to one decimal place) of its nonstop, scheduled-service domestic flights that arrive less than 15 minutes after their scheduled arrival time, as reported for that month by the DOT.(3) An Airline's on-time arrival performance for the Measurement Period will be equal to the average of its DOT reported monthly on-time arrival percentages for that period. Each Airline's on-time arrival percentage for the Measurement Period will then be ranked, with "1" being the best ranking (i.e., the highest on-time arrival percentage) and "10" being the worst ranking (i.e., the lowest on-time arrival percentage).

- CONSUMER COMPLAINT RECORD. An Airline's consumer complaint record for a particular month is measured by its number of consumer complaints per 100,000 passengers enplaned (rounded to two decimal places), as reported for that month by the DOT.(4) An Airline's consumer complaint record for the Measurement Period will be equal to the average of its DOT reported monthly consumer complaints per 100,000 enplanements for that period. Each Airline's consumer complaint record for the Measurement Period will then be ranked, with "1" being the best ranking (i.e., the lowest number of consumer complaints per 100,000

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(1) The DOT publishes this information on a monthly basis in its Air Travel Consumer Report. This report is intended to provide consumers with information regarding the quality of airline services. Information for a particular month is usually reported by the first week of the second following month.

(2) The description of the DOT Performance Measures is based on DOT regulations and policies as in effect on the date of this agreement. If the DOT amends these regulations or policies during the Measurement Period, the description of any impacted DOT Performance Measure will be automatically adjusted on a prospective basis to reflect the amendment. For example, if, effective July 1, 2002, the DOT amends its definition of on-time arrivals to mean an arrival within less than 10 minutes (rather than within less than 15 minutes) after the scheduled arrival time, the description of on-time arrival performance would be modified for purposes of determining on-time arrival performance beginning in July 2002.

(3) The DOT reports this information each month based on required and voluntary monthly on-time performance reports filed by each Airline for its domestic system. See 14 CFR ss234.4 and 234.7.

(4) The DOT reports this information each month based on the number of aviation consumer complaints filed with the DOT regarding each Airline. See the "Consumer Complaints" section of the DOT's Air Travel Consumer Report.

enplanements) and "10" being the worst ranking (i.e., the highest number of consumer complaints per 100,000 enplanements).

- MISHANDLED BAGGAGE RATE. An Airline's mishandled baggage rate for a particular month is measured by its number of mishandled baggage reports per 1,000 passengers enplaned (rounded to two decimal places), as reported for that month by the DOT.(5) An Airline's mishandled baggage rate for the Measurement Period will be equal to the average of its DOT reported monthly mishandled baggage reports per 1,000 enplanements for that period. Each Airline's mishandled baggage rate for the Measurement Period will then be ranked, with "1" being the best ranking (i.e., the lowest number of mishandled baggage reports per 1,000 enplanements) and "10" being the worst ranking (i.e., the highest number of mishandled baggage reports per 1,000 enplanements.)

- CALCULATION OF DOT PERFORMANCE RANK. An Airline's DOT Performance Rank will be determined by (1) multiplying its rank for each DOT Performance Measure for the Measurement Period by the applicable weighting; and (2) adding these three products. The applicable weightings are: on-time arrival performance - 60%; consumer complaint record - 20%; and mishandled baggage rate - 20%. The Airline with the lowest overall score will be ranked "1" (i.e., the best DOT Performance Rank); the Airline with the next lowest score will be ranked "2" (i.e., the second best DOT Performance Rank); and so on.

- TIES BETWEEN DELTA AND ANOTHER AIRLINE. If Delta and another Airline have the same rank for any DOT Performance Measure, or the same overall score for the DOT Performance Measures, Delta's rank or overall score, as applicable, will be deemed to be lower than (i.e., superior to) the other Airline's rank or overall score, respectively.

- OTHER FACTORS. If during the Measurement Period:

- the DOT ceases to report with respect to (1) one of the DOT Performance Measures, the weighting for that DOT Performance Measure will be allocated equally between the remaining two DOT Performance Measures; and (2) two of the DOT Performance Measures, the weightings for those DOT Performance Measures will be allocated to the remaining DOT Performance Measure. For example, if effective July 1, 2002, the DOT ceases to report with respect to Airlines' consumer complaint records, the weightings for on-time arrival performance and mishandled baggage rate would increase to 70% and 30%, respectively, for the entire Measurement Period.

- the DOT ceases to report with respect to each of the DOT Performance Measures, your Actual Payout Award, if any, will be based on Delta's Total Shareholder Return Rank during the Measurement Period.

- the DOT ceases to report with respect to one or more of the DOT Performance Measures for a particular Airline, that Airline will be ranked "10" for such DOT

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(5) The DOT reports this information each month based on monthly mishandled baggage reports required to be filed by each Airline. See 14 CFR s234.6.

Performance Measure(s). This could occur, for example, if an Airline ceases to qualify as a "reporting carrier" under 14 CFR ss.234.2.

- an Airline ceases to exist because it is merged into another company (e.g., Continental Airlines, Inc. is merged into Northwest Airlines, Inc.) or otherwise, that Airline will be ranked "10".

- ILLUSTRATIVE DETERMINATION OF DELTA'S DOT PERFORMANCE RANK.

DOT Performance Measures	Delta's Rank vs. Applicable Peer Group for Measurement Period	x	Weighting	=	Score
On-time arrival performance	2	x	60%	=	1.2
Consumer complaint record	3	x	20%	=	.6
Mishandled baggage rate	3	x	20%	=	.6
Delta's Overall Score for DOT Performance Measures					2.4

Assumptions

- Delta's overall score is 2.4, as calculated above

- One Airline had an overall score of 1.9

- One Airline (other than Delta) had an overall score of 2.4

- The other seven Airlines had overall scores between 2.5 and 10.0

Delta's DOT Performance Rank

- Based on these assumptions, Delta's DOT Performance Rank for the Measurement Period would be "2" (i.e., Delta had the second lowest overall score for the DOT Performance Measures). As stated above, if Delta and another Airline have the same overall score, Delta's overall score will be deemed to be lower than (i.e., superior to) the other Airline's overall score.

EXHIBIT C

DETERMINATION OF TOTAL SHAREHOLDER RETURN RANK

The Total Shareholder Return Rank for the Measurement Period for Delta and each company in the Total Shareholder Return Rank Peer Group (each company, including Delta, a "Public Company") will be based on the appreciation of the price of its Common Stock (as defined below) during that period. For these purposes, any dividend or other distribution paid by a Public Company on its Common Stock and having a record date that occurs during the Measurement Period will be deemed to be reinvested in additional shares of that Common Stock. A description of the terms and methodology for calculating each Public Company's Total Shareholder Return Rank follows.

- GENERAL RULE. A Public Company's Total Shareholder Return Rank for the Measurement Period will be determined (1) by first calculating its Total Shareholder Return Percentage (rounded to three decimal places) for the Measurement Period; and (2) then ranking these percentages, with "1" being the best ranking (i.e., the highest Total Shareholder Return Percentage) and "10" being the worst ranking (i.e., the lowest Total Shareholder Return Percentage).

- TOTAL SHAREHOLDER RETURN PERCENTAGE. A Public Company's Total Shareholder Return Percentage for the Measurement Period will be calculated using the following formula:

Total Shareholder Return Percentage = (A x B) - C C

where:

A = 1 plus the number of shares, if any, of a Public Company's Common Stock deemed to be acquired during the Measurement Period with dividends and other distributions that are paid on one share of that Common Stock.

B = The average of the daily Closing Prices (as defined below) per share of a Public Company's Common Stock for the 20 consecutive Trading Days (as defined below) including and immediately preceding the end of the Measurement Period.

C = The average of the daily Closing Prices per share of a Public Company's Common Stock for the 20 consecutive Trading Days immediately preceding July 1, 2000.

- DEFINITIONS

- BUSINESS DAY. "Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

- CLOSING PRICE. The "Closing Price" of a security for any day means the last reported sale price, regular way, on such day or, if no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, on such day, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading or, if such security is not listed or admitted to trading on any national securities exchange, on NASDAQ or, if such security is not quoted on NASDAQ, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on such day shall not have been reported through NASDAQ, the average of the bid and asked prices on such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Committee.

- COMMON STOCK. "Common Stock" means the class of a Public Company's common stock that is publicly traded on a national securities exchange or on NASDAQ on the date of this Agreement. For America West Holdings Corporation, Continental Airlines, Inc. and Northwest Airlines Corporation, Common Stock means its Class B common stock, Class B common stock and Class A common stock, respectively.

- NASDAQ. "NASDAQ" means the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System.

- TRADING DAY. "Trading Day" means a day on which the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day.

- DIVIDENDS OR OTHER DISTRIBUTIONS. Any dividend or other distribution paid by a Public Company on its Common Stock and having a record date that occurs during the Measurement Period will be deemed to be reinvested in additional shares of such Common Stock at its Closing Price per share (properly adjusted to take into account, if applicable, ex-dividend or "when issued" trading) on the day determined as follows:
(1) if the dividend or distribution is paid during the Measurement Period, on the day on which the dividend or distribution is paid (or, if such payment day is not a Trading Day, on the Trading Day immediately preceding such payment day); and (2) if the dividend or distribution is paid after the end of the Measurement Period, on the last Trading Day of the Measurement Period.

For purposes of this provision, the dividend or distribution will be valued as follows: (1) if the dividend or distribution is paid in cash, the amount of such cash; (2) if the dividend or distribution is paid in a publicly traded security, the Closing Price per share (properly adjusted to take into account, if applicable, ex-dividend or "when issued" trading) of such security on the day on which the dividend or distribution is deemed to be reinvested pursuant to the immediately preceding paragraph; and (3) if the dividend or distribution is paid in a security which is not publicly traded or in any other property, the fair market value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such security or property selected by the Committee or, if no such investment banking or appraisal firm is in the judgment of the Committee available to make such determination, as determined by the Committee.

- TIES BETWEEN DELTA AND ANOTHER PUBLIC COMPANY. If Delta and another
Public Company have the same Total Shareholder Return Percentage, Delta's Total Shareholder Return Rank will be deemed to be lower than (i.e., superior to) the other Public Company's Total Shareholder Return Rank.

- ADJUSTMENTS. If a Public Company (1) pays a dividend on its Common Stock in shares of Common Stock, (2) subdivides its outstanding Common Stock into a greater number of shares, or (3) combines its outstanding Common Stock into a smaller number of shares, in each case whether by reclassification, recapitalization or otherwise, the Committee will make such adjustments with respect to the computation of the Total Shareholder Return Percentage of that Public Company as it deems appropriate in the circumstances to preserve the integrity of that computation. For example, if, on July 1, 2002, there is a two-for-one split of the Common Stock of a Public Company, the variable "C" in the formula for calculating the Total Shareholder Return Percentage for that Public Company would be reduced by 50%.

- OTHER FACTORS. If during the Measurement Period a Public Company ceases to exist because it is merged into another Public Company or otherwise, or its Common Stock ceases to be publicly traded, that Public Company will be ranked "10".

ILLUSTRATIVE CALCULATION OF TOTAL SHAREHOLDER RETURN PERCENTAGE

(a) Date	(b) Closing Price Per Share of Common Stock	(c) Shares at Beginning of Quarter	(d) Dividend Per Share	(e) Total Dividends (c x d)	(f) Shares Deemed Acquired with Reinvested Dividends (e / b)	(g) Total Shares (c + f)	(h) Total Value of Shares (b x g)
20 consecutive Trading Days immediately preceding 7/1/00	$ 40.00	--	--	--	--	1.000	$ 40.00
9/30/00	40.75	1.000	$0.20	$0.20	0.005	1.005	40.95
12/31/00	41.625	1.005	0.20	0.20	0.005	1.010	42.04
3/31/01	42.50	1.010	0.20	0.20	0.005	1.015	43.14
6/30/01	43.25	1.015	0.20	0.20	0.005	1.020	44.12
9/30/01	44.125	1.020	0.25	0.26	0.006	1.026	45.27
12/31/01	45.00	1.026	0.25	0.26	0.006	1.032	46.44
3/31/02	46.00	1.032	0.25	0.26	0.006	1.038	47.75
6/30/02	46.875	1.038	0.25	0.26	0.006	1.044	48.94
9/30/02	47.75	1.044	0.30	0.31	0.006	1.050	50.14
12/31/02	48.75	1.050	0.30	0.32	0.007	1.057	51.53
3/31/03	49.75	1.057	0.30	0.32	0.006	1.063	52.88
6/30/03	50.75	1.063	0.30	0.32	0.006	1.069	54.25
20 consecutive Trading Days including and immediately preceding 6/30/03	51.00	--	--	--	--	1.069	54.52

Return in dollars ($54.52-$40.00)	$14.52
Total Shareholder Return Percentage ($14.52/$40.00)	36.3%

Certain Assumptions

- Quarterly cash dividends are paid on the Common Stock on March 31, June 30, September 30 and December 31, with the related record date occurring 15 days earlier.

- 0.069 shares of Common Stock are deemed acquired with reinvested dividends in this example.

- The average of the daily Closing Prices per share of the Common Stock for the 20 consecutive Trading Days (1) immediately preceding July 1, 2000 is $40.00; and (2) including and immediately preceding June 30, 2003 is $51.00.

EXHIBIT D

ILLUSTRATIVE CALCULATION OF POTENTIAL PAYOUT AWARD

Assumptions

- Target Award is 1,100 shares

- Delta's DOT Performance Rank is "2" for the Measurement Period

- Delta's Total Shareholder Return Rank is "6" for the Measurement Period

Calculation of Potential Payout Award

- Potential Payout Percentage. Based on Delta's assumed 2nd place DOT Performance Rank and its 6th place Total Shareholder Return Rank, the Potential Payout Percentage under the Performance Matrix Table is 110% of the Target Award.

- Potential Payout Award. The Potential Payout Award in this example is 110% (the Potential Payout Percentage) x 1,100 (the Target Award), or 1,210 shares.

Other Factors Affecting Actual Payout Award

- Committee Discretion. Subject to the limitations set forth in Paragraph 6 of this Agreement, the Committee may in its sole discretion eliminate or reduce (to any whole number less than the Potential Payout Award) the actual payout under this Agreement.

1 The DOT publishes this information on a monthly basis in its Air Travel Consumer Report. This report is intended to provide consumers with information regarding the quality of airline services. Information for a particular month is usually reported by the first week of the second following month.

2 The description of the DOT Performance Measures is based on DOT regulations and policies as in effect on the date of this agreement. If the DOT amends these regulations or policies during the Measurement Period, the description of any impacted DOT Performance Measure will be automatically adjusted on a prospective basis to reflect the amendment. For example, if, effective July 1, 2002, the DOT amends its definition of on-time arrivals to mean an arrival within less than 10 minutes (rather than within less than 15 minutes) after the scheduled arrival time, the description of on-time arrival performance would be modified for purposes of determining on-time arrival performance beginning in July 2002.

3 The DOT reports this information each month based on required and voluntary monthly on-time performance reports filed by each Airline for its domestic system. See 14 CFR ss.ss.234.4 and 234.7.

4 The DOT reports this information each month based on the number of aviation consumer complaints filed with the DOT regarding each Airline.

See the "Consumer Complaints" section of the DOT's Air Travel Consumer Report.

5 The DOT reports this information each month based on monthly mishandled baggage reports required to be filed by each Airline. See 14 CFR

ss.234.6.

EXHIBIT 10.16

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
UNDER THE 1989 STOCK INCENTIVE PLAN

October 27, 1999

Leo F. Mullin
President and Chief Executive Officer

The 1989 Stock Incentive Plan, as amended (the "Plan"), is a stock-based incentive compensation plan for officers and key employees of Delta Air Lines, Inc. (the "Company") and its Subsidiaries. The Plan is administered by the Personnel & Compensation Committee of the Company's Board of Directors (the "Committee"). The Committee has selected you to receive an award of a Non-Qualified Stock Option under Section 5 of the Plan, effective as of October 27, 1999, and has requested me, on behalf of the Company, to provide this Agreement to you.

In consideration of the mutual covenants herein contained and for other good and valuable consideration, the Company and you, as an employee of the Company or one or more of its Subsidiaries, hereby agree as follows:

1. Grant of Award; Acknowledgments; Capitalized Terms. The Company hereby grants to you a Non-Qualified Stock Option ("Stock Option") covering 500,000 shares (the "Option Shares") of Stock, as defined in the Plan, a copy of which has been provided to you. This award is in all respects made subject to the terms and conditions of the Plan and, in the event of any conflict between the Plan and this Agreement, the Plan shall control. You acknowledge that you (a) have had a full and adequate opportunity to read this Agreement and the Plan;
(b) agree to all of the terms and conditions thereof for yourself, any designated beneficiary and your heirs, executors, administrators or personal representatives; and (c) have received, and had a full and adequate opportunity to read, the Prospectus relating to the Plan. Capitalized terms which are used but not defined in this Agreement shall have the meanings set forth in the Plan.

2. Option Price. The Option Price of the Stock Option covered by this award shall be $49.9375, the closing price of the Stock on the New York Stock Exchange on October 27, 1999, the date of this award.

3. Exercise Period - General Rule. Subject to the terms and conditions of the Plan and this Agreement, the Stock Option (a) shall become exercisable with respect to 100% of the Option Shares on October 27, 2004; and (b) shall be exercisable through and including October 26, 2009.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

4. Special Rules Regarding Stock Option Exercise Period. The Stock Option exercise period set forth in Paragraph 3 of this Agreement is subject to the following terms and conditions (which shall apply in lieu of the provisions of Section 10 of the Plan):

a. Termination of Employment Prior to October 27, 2004 Because of Disability or Death. If your employment with the Company terminates prior to October 27, 2004 due to Disability or death (such termination date is defined as the "Employment Termination Date"), the Stock Option (i) may be exercised, to the extent not previously forfeited, revoked or modified, with respect to 25% of the Option Shares for each full year which shall have elapsed between October 27, 1999 and the Employment Termination Date (but not to exceed 100% of the Option Shares), but only during the period (A) beginning on the Employment Termination Date and (B) ending on and including the third anniversary of the Employment Termination Date; and (ii) shall otherwise be forfeited on the Employment Termination Date.

b. Termination of Employment Prior to October 27, 2004 for Reasons Other than Disability or Death. If your employment with the Company terminates prior to October 27, 2004 for any reason, including Retirement, other than due to Disability or death, the Stock Option shall be forfeited at the time of such termination of employment.

c. Termination of Employment On or After October 27, 2004 Because of Retirement, Disability or Death. If your employment with the Company terminates on or after October 27, 2004 due to Retirement, Disability or death, the Stock Option may be exercised, in whole or in part, to the extent not previously exercised, forfeited, revoked or modified, only during the period (i) beginning on the date your employment with the Company terminates due to Retirement, Disability or death; and (ii) ending on and including the earlier of (A) October 26, 2009 or (B) the third anniversary of the date your employment with the Company terminates due to Retirement, Disability or death.

d. Termination of Employment On or After October 27, 2004 for Reasons Other than Retirement, Disability or Death. If your employment with the Company terminates on or after October 27, 2004 for any reason other than Retirement, Disability or death, the Stock Option, to the extent not previously exercised, shall be forfeited at the time of such termination of employment.

e. Definitions. For purposes of Paragraphs 4 and 8 of this Agreement, (i) employment with the Company includes employment with any Subsidiary of the Company; and (ii) termination of employment with the Company means you are no longer an employee of the Company or any of its Subsidiaries.

5. Stock Option Exercise Procedures. Subject to the terms and conditions of the Plan and this Agreement, you (or, pursuant to Paragraph 7 of this Agreement, a party acting on your behalf after your death) may exercise the Stock Option in whole or, from time to time, in part by way of a written notice delivered to the Corporate Secretary of the Company which includes the following: (i) your name, mailing address and social security number and the date of the notice; (ii) the number of shares of Stock with respect to which the Stock Option is being exercised; (iii) the date of grant and the Option Price with respect to the Stock Option being exercised; and (iv) the signature of you or a party acting on your behalf after your death. Payment of the full

purchase price of the shares of Stock covered by the exercise shall be made in the manner prescribed by the Committee from time to time. If the Committee, in its sole discretion, shall determine that it is appropriate to do so, such payment may be made in whole or in part by tender of shares of unrestricted Stock, as set forth in Section 5 of the Plan, subject to such requirements or procedures as the Committee may specify.

6. Tax Withholding. When the Stock Option is exercised, the Company shall make the appropriate calculations under the Plan and deliver to you, as soon as practicable, a certificate or certificates representing the net number of shares of Stock due to you pursuant to such exercise, calculated in accordance with this paragraph. The Company shall withhold from the shares of Stock issued to you a sufficient number of shares of Stock based on its fair market value on the date of exercise to cover any amounts which the Company is required to withhold to comply with withholding requirements of federal, state, local or foreign tax laws, rules or regulations. The fair market value for purposes of the second sentence of this paragraph shall be as determined by the Committee.

7. Restrictions on Transferability. The Stock Option is not transferable otherwise than by will, by the laws of descent and distribution, or by a written designation referred to in Section 10(c) of the Plan, and is exercisable during your lifetime only by you. In the event that the Stock Option is to be exercised by any person other than you, the written notice referred to in Paragraph 5 of this Agreement shall be accompanied by appropriate proof of the right of such person to exercise the Stock Option.

8. Forfeiture, Revocation or Modification of Award. In addition to Paragraphs 4(a), 4(b) and 4(d) of this Agreement (and in lieu of the provisions of Section 10 of the Plan), the Stock Option shall be subject to forfeiture, revocation or modification as follows:

a. Non-Competition Agreement After Early Retirement. If your employment with the Company terminates on or after October 27, 2004 due to Retirement prior to your normal retirement date (as determined under the retirement or pension plan of the Company or its Subsidiary applicable to you) and, within two years after your early Retirement and without the Committee's approval, you directly or indirectly provide management or executive services (whether as a consultant, advisor, officer or director) to any Person who is in direct and substantial competition with the air transportation business of the Company or its Subsidiaries, the Stock Option shall be forfeited at the time you first provide such management or executive services. Because of the broad and extensive scope of the Company's air transportation business, you acknowledge that the restrictions in this paragraph are intended to extend to management or executive services which are directly related to the provision of air transportation services into, within or from the United States, as no smaller geographical restriction will adequately protect the legitimate business interests of the Company.

b. Demotion. If, prior to October 27, 2004, you voluntarily suggest and then accept a demotion, or are involuntarily demoted, to a position with the Company involving lesser responsibilities than those of the job held by you on October 27, 1999, the Committee may in its sole discretion, not later than six months from the date of the demotion, revoke or modify the Stock Option in any manner it deems appropriate under the circumstances. The Committee will determine in its sole discretion what constitutes a demotion to a job involving lesser responsibilities under this paragraph.

9. Federal Securities Law; Company Policies. You acknowledge that the federal securities laws and/or the Company's policies regarding trading in its securities may limit or restrict your right to buy or sell shares of Stock, including, without limitation, sales of Stock to exercise the Stock Option or sales of Stock acquired pursuant to the exercise of the Stock Option. You agree to comply with such federal securities law requirements and Company policies, as such laws and policies are amended from time to time.

10. Miscellaneous

a. Authority of the Committee. The Committee has the sole and complete authority to construe and interpret the Plan and this Agreement. All determinations of the Committee shall be final and conclusive for all purposes and upon all persons. The Committee shall be under no obligation to construe this Agreement or treat the Stock Option in a manner consistent with the treatment provided with respect to other Stock Options or Participants.

b. No Rights as Shareholder. You will not have any rights to dividends nor any other rights of a shareholder with respect to the Option Shares until the Option Shares have been issued following a valid exercise of the Stock Option.

c. Entire Agreement. Subject to any written employment or executive retention protection agreement, if any, entered into between and executed by you and the Company, this Agreement and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof. This Agreement may not be amended except by a writing signed by the parties.

This Agreement has been prepared in duplicate. Please note your acceptance in the space provided therefor and return one original to the Corporate Secretary for the Company's records.

IN WITNESS WHEREOF, the Company, acting through the Committee, and you have executed this Agreement, all as of the date first written above.

DELTA AIR LINES, INC.

By:

Edward H. Budd Member, Personnel & Compensation Committee

PARTICIPANT

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EXHIBIT 12

DELTA AIR LINES, INC.
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(In millions, except ratios)

	2000	1999	1998	1997	1996
Earnings (loss):					
Earnings (loss) before income taxes and cumulative effect of accounting change	$ 2,283	$ 1,826	$ 1,648	$ 1,415	$ 276
Add (deduct):					
Fixed charges from below	952	728	669	673	582
Interest capitalized	(49)	(46)	(38)	(33)	(26)
Interest offset on Guaranteed Serial ESOP Notes	--	--	--	--	(2)
Earnings (loss) as adjusted	$ 3,186	$ 2,508	$ 2,279	$ 2,055	$ 830
Fixed charges:					
Interest expense	$ 354	$ 199	$ 186	$ 207	$ 269
Portion of rental expense representative of the interest factor	598	529	483	466	311
Additional interest on Guaranteed Serial ESOP Notes	--	--	--	--	2
Total fixed charges	$ 952	$ 728	$ 669	$ 673	$ 582
Ratio of earnings to fixed charges	3.35	3.45	3.41	3.05	1.43

EXCERPTS FROM DELTA'S 2000 ANNUAL REPORT Exhibit 13

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS DELTA AIR LINES, INC.

RESULTS OF OPERATIONS
FISCAL 2000 COMPARED TO FISCAL 1999
NET INCOME AND EARNINGS PER SHARE (EPS)

For the year ended June 30, 2000, we reported record net income of $1.3 billion, an 18% increase over our previous record of $1.1 billion for fiscal 1999. Basic EPS was $9.92 in fiscal 2000, a 30% increase over fiscal 1999 basic EPS of $7.63. Diluted EPS was $9.42 for fiscal 2000, a 31% increase over fiscal 1999 diluted EPS of $7.20. Excluding the nonrecurring items described below, net income for fiscal 2000 totaled $1.0 billion, basic EPS was $7.73 and diluted EPS was $7.36.

	1998	1999	2000
		(In Dollars)	
DILUTED EPS(*)	$6.34	$7.09	$7.36

(*)Excludes nonrecurring items

NONRECURRING ITEMS

Our fiscal 2000 results of operations include the following nonrecurring items: gains from the sale of investments; asset writedowns and other special charges; the effects of a change in accounting principle; and a loss on the voluntary prepayment of debt. These items, as described below, are collectively referred to in this report as "nonrecurring items."

We recorded pretax gains from the sale of investments totaling $1.2 billion ($733 million after tax, or $5.63 basic and $5.32 diluted EPS) in fiscal 2000. This includes pretax cash gains of (1) $784 million from the sale of 12.3 million shares of priceline.com Incorporated (priceline) common stock; (2) $137 million from the sale of our equity interest in Singapore Airlines Limited (Singapore Airlines); (3) $29 million from the sale of our equity interest in SAirGroup; and (4) $24 million from the sale of a portion of our equity investment in Equant, N.V., an international data network services company. It also includes a pretax non-cash gain of $228 million from the exchange of six million shares of priceline common stock for priceline preferred stock. (See Note 2 of the Notes to the Consolidated Financial Statements.)

During fiscal 2000, we recorded pretax asset writedowns and other special charges totaling $555 million ($339 million after tax, or $2.60 basic and $2.45 diluted EPS). This includes pretax charges of (1) $320 million for an asset writedown resulting from the decision to retire certain aircraft earlier than previously planned; (2) $149 million for asset impairment losses and costs incurred to streamline certain operations; and (3) $86 million for our early retirement medical option program. (See Note 6 of the Notes to the Consolidated Financial Statements.)

Delta changed its method of accounting for the sale of frequent flyer mileage credits to participating partners to comply with SEC Staff Accounting Bulletin (SAB) 101, "Revenue Recognition in Financial Statements." Under the new accounting method, a portion of the revenue from the sale of mileage credits is deferred and recognized when the credits are redeemed for travel. We retroactively adopted SAB 101 as of July 1, 1999, which resulted in a cumulative effect charge of $66 million after tax ($.51 basic and $.48 diluted EPS). The adoption of SAB 101 also decreased fiscal 2000 operating income by $34 million ($21 million after tax, or $.16 basic and $.15 diluted EPS). (See Note 18 of the Notes to the Consolidated Financial Statements.)

Also during fiscal 2000, we recorded a $40 million charge ($24 million after tax, or $.19 basic and $.18 diluted EPS) for the voluntary prepayment of certain long-term debt obligations.

In fiscal 1999, we recorded a pretax gain of $26 million ($16 million after tax, or $.11 basic and $.10 diluted EPS) from the sale of a portion of our equity investment in Equant.

ACQUISITION OF ASA HOLDINGS, INC. AND COMAIR HOLDINGS, INC.

Delta strengthened its competitive position by acquiring ASA Holdings, Inc. (ASA Holdings) in fiscal 1999 and Comair Holdings, Inc. (Comair Holdings) in fiscal 2000. ASA Holdings and Comair Holdings are the parent companies of regional jet carriers Atlantic Southeast Airlines, Inc. (ASA) and Comair, Inc. (Comair), respectively. Our consolidated results of operations for fiscal 2000 include the results of operations of ASA Holdings for the entire fiscal year and of Comair Holdings from November 22, 1999 through June 30, 2000. Our consolidated results of operations for fiscal 1999 include the results of operations of ASA Holdings from April 1, 1999 through June 30, 1999. (See Note 17 of the Notes to the Consolidated Financial Statements.)

	1998	1999	2000
	(In Millions of Dollars)		
OPERATING REVENUES	$14,057	$14,597	$15,888

OPERATING REVENUES

Operating revenues were $15.9 billion for fiscal 2000, increasing 9% from $14.6 billion in fiscal 1999. Passenger revenue grew 9%, reflecting a 6% increase in RPMs on 5% capacity growth and a 3% increase in passenger mile yield.

North American Passenger Revenues-North American passenger revenues grew 10% to $12.5 billion. RPMs increased 5% on capacity growth of 6%, while passenger mile yield rose 5%. The increase in RPMs primarily reflects favorable economic conditions, the inclusion of ASA and Comair in our results of operations and the expansion of our fleet. The increase in passenger mile yield is largely due to the inclusion of ASA and Comair, partially offset by increased low-fare competition and capacity increases by competitors.

International Passenger Revenues-International passenger revenues increased 2% to $2.4 billion during fiscal 2000. RPMs increased 7% on capacity growth of 2%, while passenger mile yield declined 4%. The increase in RPMs primarily reflects our continued expansion in Latin America, which resulted in 21% traffic growth in that region. The decline in passenger mile yield is primarily attributable to increased pricing pressures resulting from industry-wide capacity growth in the Atlantic market.

Cargo and Other Revenues-Cargo revenues increased 4% to $579 million, reflecting a 7% increase in cargo ton miles and a 3% decrease in ton mile yield. The increase in cargo ton miles is primarily due to capacity increases and higher mail volume from the growth in e-commerce activity. The decrease in ton mile yield is due to pricing pressure resulting from industry-wide capacity growth in international markets. Other revenues increased 22% to $433 million, mainly a result of higher revenues from codeshare activity and frequent flyer partner-ship programs.

	1998	1999	2000
CASM(*)	8.88(cents)	8.84(cents)	9.25(cents)

(*) Excludes nonrecurring items

OPERATING EXPENSES

Operating expenses totaled $14.6 billion for fiscal 2000, increasing 15% from $12.7 billion in fiscal 1999. Operating capacity rose 5% to 152 billion ASMs. CASM increased 9% to 9.61(cents), while non-fuel CASM grew 8% to 8.53(cents). Excluding nonrecurring items, CASM increased 5% to 9.25(cents). Salaries and related costs increased 12% during fiscal 2000. The number of full-time equivalent employees increased 9%, largely from the inclusion of ASA and Comair. The increase in salaries and related costs also reflects salary increases for most domestic employees of 2% on January 1, 1999, and 3% on April 1, 2000.

Aircraft fuel expense increased 21% in fiscal 2000, with the average fuel price per gallon rising 15% to 57.23(cents). Total gallons consumed increased 5% due to increased operations on a 5% rise in capacity. Delta's fuel cost per gallon is net of gains of $442 million on fuel hedging contracts, which hedged approximately 75% of our aircraft fuel requirements during fiscal 2000. Depreciation and amortization expense rose 19% due to the acquisition of additional aircraft and ground equipment, as well as the inclusion of ASA and Comair. Other selling expenses increased less than 1.0%.

Passenger commissions expense declined 17%, reflecting changes to the travel agent commission rate structure and our customers' increased use of lower cost distribution channels such as the Internet. Internet sales accounted for approximately 10% of total tickets flown in fiscal 2000 compared to 3% in fiscal 1999. Contracted services expense increased 16% due to the inclusion of ASA and Comair, as well as higher costs related to customer service and technology initiatives.

Landing fees and other rents increased 5%, aircraft rental expense increased 18%, and aircraft maintenance materials and outside repair expense grew 21%, primarily due to the inclusion of ASA and

Comair. Passenger service expense declined 6% due to process improvements which streamlined our catering operations. Other costs increased 4% due to higher expenses associated with fuel-related taxes and supplies, as well as the inclusion of ASA and Comair.

	1998	1999	2000
	(In Millions of Dollars)		
OPERATING INCOME(*)	$1,694	$1,870	$1,877

(*) Excludes nonrecurring items

OPERATING INCOME AND OPERATING MARGIN

Operating income was $1.3 billion for fiscal 2000, compared to $1.9 billion in fiscal 1999. Excluding non-recurring items, operating income totaled $1.9 billion in fiscal 2000.

Operating margin declined to 8.1% during fiscal 2000 from 12.8% in fiscal 1999. Excluding nonrecurring items, operating margin was 11.8% in fiscal 2000.

OTHER INCOME

Other income was $995 million during fiscal 2000 compared to other expense of $44 million in fiscal 1999. The increase is primarily a result of pretax gains from the sale of investments totaling $1.2 billion. (See Note 2 of the Notes to the Consolidated Financial Statements.) Interest expense, net increased to $197 million in fiscal 2000 from $101 million in fiscal 1999 primarily from increased levels of debt outstanding and higher interest rates, partially offset by higher levels of cash invested. Miscellaneous expense was $10 million during fiscal 2000 compared to miscellaneous income of $31 million during fiscal 1999 due to a $40 million loss on the voluntary prepayment of certain long-term debt obligations.

**FISCAL 1999 COMPARED TO FISCAL 1998
NET INCOME AND EARNINGS PER SHARE**

Net income grew 10% to $1.1 billion during fiscal 1999, from $1.0 billion in fiscal 1998. Our fiscal 1999 results include the results of operations for ASA Holdings from April 1, 1999 through June 30, 1999. (See Note 17 of the Notes to the Consolidated Financial Statements.) Basic EPS was $7.63 in fiscal 1999, compared to $6.64 in fiscal 1998, a 15% increase. Diluted EPS was $7.20 for fiscal 1999, a 14% increase from fiscal 1998 diluted EPS of $6.34. Fiscal 1998 EPS has been restated to reflect our two-for-one common stock split which became effective in November 1998. (See Note 1 of the Notes to the Consolidated Financial Statements.)

OPERATING REVENUES

Operating revenues were $14.6 billion for fiscal 1999, increasing 4% from $14.1 billion in fiscal 1998. Passenger revenue growth of 4% reflects a 3% increase in RPMs on 3% capacity growth. Passenger mile yield increased less than 1% to 13.09(cents).

North American Passenger Revenues-North American passenger revenues grew 5% to $11.4 billion, driven by a 3% increase in RPMs on capacity growth of 2%. The increase in RPMs was a result of favorable economic conditions and increased traffic (including the effects of pilot labor actions at two of our competitors), as well as our reallocation of aircraft to higher-demand markets. Passenger mile yield rose 2% due to the full-year effect of a domestic fare increase in September 1997 and improved asset utilization, partially offset by increased low-fare competition and matching sale fares implemented by a competitor after its pilot strike.

International Passenger Revenues-International passenger revenues remained flat at $2.3 billion during fiscal 1999. A 5% increase in RPMs on capacity growth of 7% was offset by a 6% decline in passenger mile yield. The increase in RPMs pri- marily reflects the addition of new Atlantic routes and continued expansion into Latin America. The decline in passenger mile yield is a result of increased competitive pressures due to industry-wide capacity growth in the Atlantic and Latin American markets.

Cargo and Other Revenues-Cargo revenues declined 4% during fiscal 1999, reflecting a 3% decrease in cargo ton miles and a 1% decrease in ton mile yield. Other revenues increased 20%, mainly a result of higher revenues from codeshare programs.

OPERATING EXPENSES

In fiscal 1999, operating expenses totaled $12.7 billion, increasing 3% from $12.4 billion in fiscal 1998. Operating capacity rose 3% to 144 billion ASMs. CASM remained flat year over year while non-fuel CASM grew 2% to
7.89(cents). The increase in operating expenses primarily resulted from higher salaries and related costs due to headcount growth and a general

salary increase; higher depreciation and amortization expense due to the acquisition of additional aircraft and ground equipment; an increase in other selling expenses resulting from increased advertising and promotional activities, as well as increased credit card charges due to higher passenger volume; and increased contracted services expense due to expanded operations into new and existing markets and contract rate increases. Aircraft fuel expense decreased 10%, with the average fuel price per gallon falling 12%. Passenger commission expense fell 12% due to lower effective commission rates and increased utilization of lower cost distribution channels.

OPERATING INCOME AND OPERATING MARGIN

During fiscal 1999, operating income totaled $1.9 billion, which represented an increase of 10% over fiscal 1998. Operating margin increased to 12.8% in fiscal 1999 from 12.1% in fiscal 1998.

OTHER EXPENSE

Other expense decreased 4% to $44 million during fiscal 1999 due to higher interest expense, net, offset by a $26 million gain from the sale of a portion of our equity investment in Equant and an increase in miscellaneous income.

FINANCIAL CONDITION AND LIQUIDITY
FISCAL YEAR 2000

Cash and cash equivalents and short-term investments totaled $1.7 billion at June 30, 2000, compared to $1.1 billion at June 30, 1999. Our principal sources and uses of cash during fiscal 2000 are summarized below.

SOURCES

- Generated $2.4 billion of cash from operations.

- Generated $256 million from the sale of flight equipment.

- Issued $2.1 billion, net, of unsecured long-term notes to pay the $1.8 billion purchase price of Comair Holdings and for general corporate purposes. (See Note 5 of the Notes to the Consolidated Financial Statements.)

- Borrowed $301 million from the Development Authority of Clayton County to refund bonds that had been issued to finance certain Delta facilities at Hartsfield Atlanta International Airport. (See Note 5 of the Notes to the Consolidated Financial Statements.)

- Issued 0.6 million shares of common stock for $32 million (including an income tax benefit of $4 million for stock options exercised). These shares were primarily issued under our broad-based employee stock option plans. (See Note 10 of the Notes to the Consolidated Financial Statements.)

- Generated $1.2 billion from the sale of investments. (These sales resulted in pretax cash gains of $974 million. See Note 2 of the Notes to the Consolidated Financial Statements.)

USES

- Invested $2.7 billion in flight equipment and $556 million in ground property and equipment.

- Paid $790 million to repurchase 16.5 million shares of common stock.
(See Note 11 of the Notes to the Consolidated Financial Statements.)

- Paid $1.8 billion to acquire Comair Holdings. (See Note 17 of the Notes to the Consolidated Financial Statements.)

- Paid $42 million in cash dividends on preferred and common stock.

Cash flows from operations for fiscal 2000 totaled $2.4 billion. We invested in future growth opportunities during fiscal 2000 by purchasing Comair Holdings, upgrading airport and administrative technology, investing in customer service improvements and acquiring new aircraft.

	1998	1999	2000
	(In Millions of Dollars)		
CASH REINVESTED IN THE BUSINESS	$2,324	$2,765	$3,902

We have increased the amount of cash used in investing activities over the past three fiscal years, highlighting our emphasis on business reinvestment and growth opportunities.

As of June 30, 2000, we had a negative working capital position of $2.6 billion, compared to negative working capital of $2.7 billion at June 30, 1999. A negative working capital position is normal for us, primarily due to our air traffic liability, and does not indicate a lack of liquidity. We expect to meet our obligations as they become due through available cash, short-term investments and internally generated funds, supplemented as necessary by debt financings and proceeds from sale and leaseback transactions. At June 30, 2000, we had $1.25 billion of credit available under our 1997 Bank Credit Agreement.
(See Note 5 of the Notes to the Consolidated Financial Statements.)

Long-term debt and capital lease obligations, including current maturities, totaled $5.1 billion at June 30, 2000, compared to $2.7 billion at June 30, 1999. The increase in debt is primarily the result of borrowings to finance our acquisition of Comair Holdings. Shareowners' equity was $4.9 billion at June 30, 2000, compared to $4.5 billion at June 30, 1999. Our net debt-to-capital position, including current maturities, was 71% at June 30, 2000, compared to 68% at June 30, 1999.

For additional information regarding Delta's credit agreements and long-term debt, see Note 5 of the Notes to the Consolidated Financial Statements.

PRIOR YEARS
FISCAL 1999

In fiscal 1999, our principal source of funds was $2.9 billion of cash from operations and $1.1 billion from the issuance of debt. We invested $2.3 billion in flight equipment and $561 million in ground property and equipment. We made payments of $431 million on debt and capital lease obligations, and paid $700 million to acquire ASA Holdings. In addition, we repurchased $885 million of common stock and paid $43 million in cash dividends on preferred and common stock.

FISCAL 1998

During fiscal 1998, our principal source of funds was $3.0 billion of cash from operations. We invested $1.8 billion in flight equipment and $531 million in ground property and equipment, and made payments of $307 million on long-term debt and capital lease obligations. We also repurchased $354 million of common stock and paid $43 million in cash dividends on preferred and common stock.

COMMITMENTS

Estimated future expenditures for aircraft and engines on firm order as of August 11, 2000 totaled $9.5 billion. In addition, we have planned capital expenditures of $986 million for the twelve months ending June 30, 2001 for airport and office facility improvements, aircraft modifications and the pur- chase of ground equipment and other assets. (See Notes 7 and 8 of the Notes to the Consolidated Financial Statements for additional information regarding our lease obligations and purchase commitments.)

OTHER MATTERS
NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not designated as part of a hedging relationship must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either
(1) offset against the change in fair value of the hedged asset, liability or firm commitment through income or (2) held in equity until the hedged item is recognized in income. The ineffective portion of a hedge's change in fair value is immediately recognized in income. We will adopt SFAS 133, as amended, on July 1, 2000.

The adoption of SFAS 133 will result in a $100 million charge, net of tax, from a cumulative effect of a change in accounting principle, and a $440 million increase, net of tax, in shareowners' equity in our financial statements for the quarter ending September 30, 2000.

FISCAL YEAR CHANGE

On June 29, 2000, our Board of Directors approved a change of Delta's fiscal year end from June 30 to December 31, effective December 31, 2000. We plan to file a transition report on Form 10-K covering the transition period from July 1, 2000 through December 31, 2000. This filing will include audited financial statements for the twelve months ended December 31, 2000, 1999 and 1998.

COLLECTIVE BARGAINING MATTERS

Approximately 16% of the 81,000 total employees of Delta, ASA and Comair are represented by unions.

In September 1999, Delta began negotiations with the Air Line Pilots Association, International (ALPA), on a new collective bargaining agreement to replace the existing contract for Delta's approximately 9,000 pilots that became amendable in May 2000. Delta is also in negotiations on an initial collective bargaining agreement with the Transport Workers Union of America (TWU), which became the representative of Delta's approximately 110 pilot ground training instructors in October 1999.

In March 2000, Delta's approximately 11,000 ramp and cargo employees rejected representation by the TWU, with 17% of the employees voting in favor of union representation. The National Mediation Board (NMB) recently ordered a rerun election. The NMB plans to mail ballots to employees on September 1, 2000, and to announce the results of the voting on October 2, 2000.

ASA is in negotiations with the TWU on an initial collective bargaining agreement for ASA's approximately 30 flight dispatchers. The TWU became the representative of this employee group in November 1998.

Comair is in negotiations with ALPA on a new collective bargaining agreement for Comair's approximately 1,300 pilots, and with the International Brotherhood of Teamsters (IBT) on an initial contract for Comair's approximately 550 flight attendants.

Comair's existing collective bargaining agreement with ALPA became amendable in June 1998. The IBT became the representative of Comair's flight attendants in September 1998.

Unions are currently engaged in organizing efforts to represent various groups of employees of Delta, ASA and Comair. The outcome of these union organizing efforts, as well as the TWU rerun election and the collective bargaining negotiations outlined above, cannot presently be determined.

COMPETITIVE ENVIRONMENT AND SEASONALITY

The airline industry is highly competitive and is characterized by substantial price competition. If price reductions are not offset by increases in traffic or changes in the mix of traffic that improve our passenger mile yield, our operating results will be adversely affected.

Two of our competitors, UAL Corporation and USAirways Group, Inc., recently entered into a definitive merger agreement. If that merger were to occur, conditions and competition in the airline industry could be significantly altered.

There are seasonal variations in the demand for air travel. Therefore, operating results for an interim period do not necessarily indicate results for an entire year. In general, demand for air travel is higher in the June and September quarters, particularly in international markets, because there is more vacation travel during these periods than during the remainder of the year. Demand is also affected by factors such as economic conditions and fare levels.

ENVIRONMENTAL AND LEGAL CONTINGENCIES

Delta is a defendant in legal actions relating to antitrust matters, employment practices, environmental issues and other matters concerning our business. Although the ultimate outcome of these matters cannot be predicted with certainty, we believe that the resolution of these actions is not likely to have a material adverse effect on our consolidated financial statements.

MARKET RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Delta has market risk exposure related to aircraft fuel prices, stock prices, interest rates and foreign currency exchange rates. The market risk is the potential negative impact of adverse changes in thee prices or rates on our consolidated financial statements. To manage the volatility relating to these exposures, we periodically enter into derivative transactions pursuant to stated policies. (See Note 4 of the Notes to the Consolidated Financial Statements for further discussion of our policies for managing such exposures.)

The following sensitivity analyses do not consider the effects that an adverse change would have on demand for air travel, the economy as a whole, or additional actions by management to mitigate our exposure to a particular risk. For these and other reasons, the actual results of changes in these prices or rates may differ materially from the following hypothetical results.

AIRCRAFT FUEL PRICE RISK

Our results of operations could be significantly impacted by changes in the price and availability of aircraft fuel. During fiscal 2000, aircraft fuel accounted for 11% of our operating expenses. Based on our projected aircraft fuel consumption of 3.0 billion gallons for the twelve months ending June 30, 2001, a 10% rise in our projected jet fuel prices would increase our aircraft fuel expense by approximately $99 million for that period. This analysis includes the effects of fuel hedging instruments in place at June 30, 2000. Based on our fiscal 2000 aircraft fuel consumption of 2.9 billion gallons, a 10% rise in our jet fuel prices would have increased our aircraft fuel expense by approximately $40 million in fiscal 2000. This analysis includes the effects of fuel hedging instruments in place at June 30, 1999.

For additional information regarding our aircraft fuel price risk management program, see Note 4 of the Notes to the Consolidated Financial Statements.

EQUITY SECURITIES RISK

At June 30, 2000, our ownership interest in SkyWest, Inc. was our only readily marketable equity investment. The estimated fair value and aggregate unrealized gain from this investment was $115 million and $101 million, respectively, at June 30, 2000. The market risk associated with this investment is the potential loss in fair value resulting from a decrease in SkyWest's common stock price.

At June 30, 1999, the estimated fair value of all our equity investments totaled $962 million, with an aggregate unrealized gain of $568 million. The decrease in fair value of our equity investments at June 30, 2000 compared to June 30, 1999 is due to the sale of our equity interests in Singapore Airlines Limited and SAirGroup during fiscal 2000, and the fact that our equity investments at June 30, 1999 included our minority ownership interest in Comair Holdings. During fiscal 2000, we acquired a 100% ownership interest in Comair Holdings. As a result of that acquisition, at June 30, 2000, Delta and Comair Holdings are consolidated for financial reporting purposes. (See Note 17 of the Notes to the Consolidated Financial Statements.)

We own depository certificates that are convertible, subject to certain restrictions, into the common stock of Equant. The market risk relating to this investment is the potential reduction in value resulting from a decrease in Equant's common stock price. (See Note 2 of the Notes to the Consolidated Financial Statements.)

At June 30, 2000, we had warrants to purchase 5.5 million shares of priceline common stock. Our market risk associated with these warrants is the potential loss of gain based on decreases in the price of priceline common stock. (See Note 2 of the Notes to the Consolidated Financial Statements.)

INTEREST RATE RISK

Our exposure to market risk due to changes in interest rates relates to our long-term debt obligations and cash investment portfolio.

Market risk associated with our long-term debt is the potential change in fair value resulting from a change in interest rates. An assumed 10% decrease in interest rates would increase the estimated fair value of our long-term debt by $270 million and $100 million at June 30, 2000 and June 30, 1999, respectively. A 10% increase in average annual interest rates would not have had a material impact on our interest expense for fiscal 2000 or fiscal 1999.

Based on our average balance of cash and cash equivalents and short-term investments during fiscal 2000 and fiscal 1999, a 10% decrease in average annual interest rates would not have had a material impact on our interest income.

We may use non-leveraged, over-the-counter financial instruments to manage our interest rate risk.

FOREIGN CURRENCY EXCHANGE RATE RISK

Delta is subject to foreign currency exchange rate fluctuations in the U.S. dollar value of foreign currency-denominated transactions. Based on our average annual net currency positions in fiscal 2000 and 1999, a 10% adverse change in average annual foreign currency exchange rates would not have been material to our consolidated financial statements for the years ended June 30, 2000 or 1999.

We may use foreign currency options and forward contracts with maturities of up to 12 months to manage our foreign currency exchange rate risk.

FORWARD-LOOKING INFORMATION

Statements in this Annual Report which are not purely historical facts, including statements regarding our beliefs, expectations, intentions, or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995.

Any forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Factors and events that could cause these differences include, but are not limited to:

- general economic conditions, both in the United States and in our markets outside the United States;

- competitive factors, such as the airline pricing environment, international alliances, codesharing programs and capacity decisions by competitors;

- outcomes of negotiations on collective bargaining agreements;

- changes in aircraft fuel prices;

- fluctuations in foreign currency exchange rates;

- actions by the United States and foreign governments;

- the willingness of customers to travel generally and with us specifically, which could be affected by factors such as our on-time performance, our baggage handling performance, how well we respond to customer complaints and our and the industry's safety record; and

- the outcome of our litigation.

Forward-looking statements made by us are based on our knowledge of our business and the environment in which we operate. Due to the factors listed above, as well as other factors beyond our control, actual results may differ materially from those anticipated in the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We assume no obligation to update these forward-looking statements even though our situation will change in the future.

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED JUNE 30, 2000, 1999 AND 1998 DELTA AIR LINES, INC.

(In Millions, Except Per Share Data)	2000	1999	1998
OPERATING REVENUES:			
Passenger	$ 14,876	$ 13,685	$ 13,180
Cargo	579	557	582
Other, net	433	355	295
Total operating revenues	15,888	14,597	14,057
OPERATING EXPENSES:			
Salaries and related costs	5,597	4,993	4,850
Aircraft fuel	1,646	1,360	1,507
Depreciation and amortization	1,146	961	860
Other selling expenses	644	641	600
Passenger commissions	722	867	980
Contracted services	893	772	694
Landing fees and other rents	742	707	649
Aircraft rent	694	590	552
Aircraft maintenance materials and outside repairs	681	561	495
Passenger service	471	500	450
Asset writedowns and other special charges	555	--	--
Other	809	775	726
Total operating expenses	14,600	12,727	12,363
OPERATING INCOME	1,288	1,870	1,694
OTHER INCOME (EXPENSE):			
Interest income (expense), net	(197)	(101)	(69)
Gains from the sale of investments	1,202	26	--
Miscellaneous income (expense), net	(10)	31	23
Total other income (expense)	995	(44)	(46)
INCOME BEFORE INCOME TAXES	2,283	1,826	1,648
INCOME TAXES PROVIDED	(914)	(725)	(647)
NET INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	1,369	1,101	1,001
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	(66)	--	--
NET INCOME	1,303	1,101	1,001
PREFERRED STOCK DIVIDENDS	(12)	(11)	(11)
NET INCOME AVAILABLE TO COMMON SHAREOWNERS	$ 1,291	$ 1,090	$ 990
BASIC EARNINGS PER SHARE BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	$ 10.42	$ 7.63	$ 6.64
BASIC EARNINGS PER SHARE	$ 9.92	$ 7.63	$ 6.64
DILUTED EARNINGS PER SHARE BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	$ 9.90	$ 7.20	$ 6.34
DILUTED EARNINGS PER SHARE	$ 9.42	$ 7.20	$ 6.34

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2000 AND 1999 DELTA AIR LINES, INC.

ASSETS
(In Millions)

	2000	1999
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,252	$ 1,124
Short-term investments	493	19
Accounts receivable, net of allowance for uncollectible accounts of $34 at June 30, 2000 and $30 at June 30, 1999	739	602
Deferred income taxes	356	403
Prepaid expenses and other	506	524
Total current assets	3,346	2,672
PROPERTY AND EQUIPMENT:		
Flight equipment	15,838	13,595
Less: Accumulated depreciation	5,037	4,405
	10,801	9,190
Flight equipment under capital leases	506	515
Less: Accumulated amortization	303	264
	203	251
Ground property and equipment	4,212	3,862
Less: Accumulated depreciation	2,250	2,123
	1,962	1,739
Advance payments for equipment	525	493
Total property and equipment	13,491	11,673
OTHER ASSETS:		
Marketable equity securities	396	523
Investments in associated companies	242	300
Cost in excess of net assets acquired, net of accumulated amortization of $166 at June 30, 2000 and $121 at June 30, 1999	2,183	782
Leasehold and operating rights, net of accumulated amortization of $231 at June 30, 2000 and $220 at June 30, 1999	104	113
Other noncurrent assets	804	687
Total other assets	3,729	2,405
Total assets	$20,566	$16,750

LIABILITIES AND SHAREOWNERS' EQUITY	2000	1999
(In Millions, Except Share Data)		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 526	$ 660
Current obligations under capital leases	43	39
Accounts payable and miscellaneous accrued liabilities	2,738	2,209
Air traffic liability	1,920	1,819
Accrued salaries and vacation pay	500	470
Accrued rent	213	195
Total current liabilities	5,940	5,392
NONCURRENT LIABILITIES:		
Long-term debt	4,378	1,756
Capital leases	147	196
Postretirement benefits	2,008	1,894
Accrued rent	742	720
Deferred income taxes	869	755
Other	458	470
Total noncurrent liabilities	8,602	5,791
DEFERRED CREDITS:		
Deferred gains on sale and leaseback transactions	592	642
Manufacturers' and other credits	345	282
Total deferred credits	937	924
COMMITMENTS AND CONTINGENCIES (NOTES 4, 5, 7 AND 8)		
EMPLOYEE STOCK OWNERSHIP PLAN PREFERRED STOCK:		
Series B ESOP Convertible Preferred Stock, $1.00 par value, $72.00 stated and liquidation value; issued and outstanding 6,455,372 shares at June 30, 2000 and 6,547,495 shares at June 30, 1999	465	471
Unearned compensation under employee stock ownership plan	(251)	(276)
Total Employee Stock Ownership Plan Preferred Stock	214	195
SHAREOWNERS' EQUITY:		
Common stock, $1.50 par value; 450,000,000 shares authorized; 180,356,181 shares issued at June 30, 2000 and 179,763,547 shares at June 30, 1999	271	270
Additional paid-in capital	3,245	3,208
Retained earnings	4,043	2,756
Accumulated other comprehensive income	40	149
Treasury stock at cost, 57,716,615 shares at June 30, 2000 and 41,209,828 shares at June 30, 1999	(2,726)	(1,935)
Total shareowners' equity	4,873	4,448
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	$ 20,566	$ 16,750

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2000, 1999 and 1998 DELTA AIR LINES, INC.

(In Millions)	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 1,303	$ 1,101	$ 1,001
Adjustments to reconcile net income to cash provided by operating activities:			
Cumulative effect of change in accounting principle	66	--	--
Asset writedowns and other special charges	555	--	--
Depreciation and amortization	1,146	961	860
Deferred income taxes	250	353	294
Pension, postretirement and post employment expense in excess of payments	36	34	179
Dividends in excess of (less than) equity income	52	(53)	(51)
Gains from the sale of investments	(1,202)	(26)	--
Income tax benefit from exercise of stock options	4	34	84
Changes in certain current assets and liabilities:			
(Increase) decrease in accounts receivable	(189)	339	5
Decrease (increase) in prepaid expenses and other current assets	58	(176)	15
Increase in air traffic liability	89	152	249
Increase in other payables and accrued expenses	14	77	330
Other, net	196	141	34
Net cash provided by operating activities	2,378	2,937	3,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property and equipment additions:			
Flight equipment, including advance payments	(2,733)	(2,258)	(1,760)
Ground property and equipment	(556)	(561)	(531)
(Increase) decrease in short-term investments, net	(310)	568	(43)
Proceeds from sale of flight equipment	256	30	10
Proceeds from sale of investments	1,240	26	--
Prepayment of long-term lease obligations	(215)	--	--
Acquisition, net of cash acquired	(1,584)	(570)	--
Net cash used in investing activities	(3,902)	(2,765)	(2,324)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on long-term debt and capital lease obligations	(2,099)	(154)	(307)
Payments on notes payable	--	(277)	--
Cash dividends	(42)	(43)	(43)
Issuance of long-term obligations	4,472	324	125
Issuance of short-term obligations	83	779	--
Issuance of common stock	28	131	318
Repurchase of common stock	(790)	(885)	(354)
Net cash provided by (used in) financing activities	1,652	(125)	(261)
NET INCREASE IN CASH AND CASH EQUIVALENTS	128	47	415
Cash and cash equivalents at beginning of year	1,124	1,077	662
Cash and cash equivalents at end of year	$ 1,252	$ 1,124	$ 1,077
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:			
Interest, net of amounts capitalized	320	130	152
Income taxes	332	242	244

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREOWNERS' EQUITY
For the years ended June 30, 2000, 1999 and 1998 DELTA AIR LINES, INC.

(In Millions, Except Share Data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
BALANCE AT JUNE 30, 1997	$251	$2,645	$ 711	$ 101	$ (701)	$3,007
Fiscal Year 1998:						
Net income	--	--	1,001	--	--	1,001
Dividends on common stock ($0.10 per share)	--	--	(15)	--	--	(15)
Dividends on Series B ESOP Convertible Preferred Stock allocated shares	--	--	(11)	--	--	(11)
Issuance of 9,276,084 shares of common stock under dividend reinvestment and stock purchase plan and stock options ($34.28 per share*)	14	304	--	--	--	318
Repurchase of 6,316,746 common shares ($56.04 per share*)	--	--	--	--	(354)	(354)
Income tax benefit from exercise of stock options	--	84	--	--	--	84
Transfer of 99,082 shares of common stock from treasury under stock incentive plan ($38.59 per share*)	--	--	--	--	3	3
Accumulated other comprehensive income	--	--	--	(12)	--	(12)
Other	--	1	1	--	--	2
BALANCE AT JUNE 30, 1998	265	3,034	1,687	89	(1,052)	4,023
Fiscal Year 1999:						
Net income	--	--	1,101	--	--	1,101
Dividends on common stock ($0.10 per share)	--	--	(14)	--	--	(14)
Dividends on Series B ESOP Convertible Preferred Stock allocated shares	--	--	(11)	--	--	(11)
Issuance of 3,197,369 shares of common stock under dividend reinvestment and stock purchase plan and stock options ($41.01 per share*)	5	126	--	--	--	131
Repurchase of 15,149,658 common shares ($58.45 per share*)	--	--	--	--	(885)	(885)
Income tax benefit from exercise of stock options	--	34	--	--	--	34
Transfer of 55,614 shares of common stock from treasury under stock incentive plan ($36.54 per share*)	--	--	--	--	2	2
Accumulated other comprehensive income	--	--	--	60	--	60
Other	--	14	(7)	--	--	7
BALANCE AT JUNE 30, 1999	270	3,208	2,756	149	(1,935)	4,448
Fiscal Year 2000:						
Net income	--	--	1,303	--	--	1,303
Dividends on common stock ($0.10 per share)	--	--	(13)	--	--	(13)
Dividends on Series B ESOP Convertible Preferred Stock allocated shares	--	--	(12)	--	--	(12)
Issuance of 592,634 shares of common stock under dividend reinvestment and stock purchase plan and stock options ($47.83 per share*)	1	27	--	--	--	28
Repurchase of 16,480,400 common shares ($47.93 per share*)	--	--	--	--	(790)	(790)
Income tax benefit from exercise of stock options	--	4	--	--	--	4
Transfers and forfeitures of 28,967 shares of common stock under stock incentive plan ($56.48 per share*)	--	--	--	--	(1)	(1)
Accumulated other comprehensive income	--	--	--	(109)	--	(109)
Other	--	6	9	--	--	15
BALANCE AT JUNE 30, 2000	$271	$3,245	$ 4,043	$ 40	$(2,726)	$4,873

(*) Average price per share.

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2000, 1999 and 1998 DELTA AIR LINES, INC.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Delta Air Lines, Inc. (a Delaware corporation) is a major air carrier that provides air transportation for passengers and freight throughout the United States and around the world. Our consolidated financial statements include the accounts of Delta Air Lines, Inc. and our majority-owned subsidiaries (Delta). We have eliminated all significant inter-company transactions. Purchased companies are included from the date of acquisition. We have reclassified certain amounts from prior years to be consistent with the presentation in our fiscal 2000 financial statements. (See Note 18 of the Notes to the Consolidated Financial Statements.)

Use of Estimates - We are required to make estimates and assumptions when preparing our financial statements in conformity with generally accepted accounting principles. These estimates and assumptions affect the amounts reported in our financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents - We classify short-term, highly liquid investments with original maturities of three months or less as cash and cash equivalents. These investments are stated at cost, which approximates fair value.

Passenger and Cargo Revenues - We record sales of passenger tickets and cargo services as air traffic liability on our Consolidated Balance Sheets. Passenger and cargo revenues are recognized and the related air traffic liability is reduced when we provide the transportation. We periodically evaluate the estimated air traffic liability. Any resulting adjustments, which can be significant, are included in the Consolidated Statements of Income in the period that the evaluations are completed.

Property and Equipment - Property and equipment is recorded at cost and depreciated on a straight-line basis to estimated residual values over their estimated useful lives. The estimated useful lives for major asset classifications are as follows:

Asset Classification	Estimated Useful Life
Owned flight equipment	15-25 years
Flight equipment under capital lease	Lease Term
Ground property and equipment	3-30 years
Leasehold rights and landing slots	Lease Term

Residual values for flight equipment range from 5%-25% of cost. Purchased international route authorities are amortized over the lives of the authorities as determined by their expiration dates. Permanent route authorities with no stated expiration dates are amortized over 40 years. Our cost in excess of net assets acquired (goodwill) is amortized over 40 years and is primarily related to our acquisitions of Comair Holdings, Inc. (Comair Holdings) in November 1999, ASA Holdings, Inc. (ASA Holdings) in March 1999, and Western Air Lines, Inc. in December 1986. Comair Holdings is the parent of Comair, Inc. (Comair) and ASA Holdings is the parent of Atlantic Southeast Airlines, Inc. (ASA). Comair and ASA are participants in the Delta Connection program.

Interest Capitalized - Interest paid on advance payments used to acquire new aircraft and to construct ground facilities is capitalized as an additional cost of the related assets. We capitalize interest at our weighted average interest rate on long-term debt or, if applicable, the interest rate related to specific borrowings. Interest capitalization ends when the property or equipment is ready for service or its intended use.

Measurement of Impairment - In accordance with Statement of Financial Accounting Standards (SFAS) 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," we record impairment losses on long-lived assets used in operations, goodwill and other intangible assets when events and circumstances indicate the assets may be impaired and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If an impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a provision for loss if the carrying value is greater than the fair value.

Investments in Associated Companies - We use the equity method to account for our 40% ownership interest in WORLDSPAN, L.P., a computer reservations system partnership. Our equity earnings from this investment totaled $48 million in fiscal 2000, $22 million in fiscal 1999, and $14 million in fiscal 1998. We accounted for our investments in Comair Holdings and ASA Holdings under the equity method until November 22, 1999 and March 22, 1999, the respective dates of acquisition.

Frequent Flyer Program - Delta records an estimated liability for the incremental cost associated with providing free transportation under its SkyMiles(R) frequent flyer program when a free travel award is earned. The liability is included in accounts payable and miscellaneous accrued liabilities, and is adjusted periodically based on awards earned, awards redeemed and changes in the SkyMiles(R) program.

Deferred Gains on Sale and Leaseback Transactions - Deferred gains on the sale and leaseback of property and equipment under operating leases are amortized over the lives of these leases. The gains are reflected as a reduction in rent expense. Gains on the sale and leaseback of property and equipment under capital leases reduce the carrying value of the related assets.

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

Advertising Costs - We expense advertising costs as other selling expenses in the fiscal year incurred. Advertising expense for fiscal 2000, 1999 and 1998 totaled $134 million, $136 million and $105 million, respectively.

Foreign Currency Remeasurement - Assets and liabilities denominated in foreign currencies are generally remeasured using exchange rates in effect on the balance sheet date. Revenues and expenses denominated in foreign currencies are generally remeasured using average exchange rates for the periods presented. We recognize the resulting foreign exchange gains and losses as a component of miscellaneous income (expense). Fixed assets and the related depreciation or amortization charges are recorded at the exchange rates in effect on the date we acquired the assets.

Stock-Based Compensation - Stock-based compensation is accounted for in accordance with Accounting Principles Board Opinion (APB) 25, "Accounting for Stock Issued to Employees." Under APB 25, we do not recognize compensation expense for a stock option grant if the exercise price at the measurement date is equal to or greater than the fair market value of our common stock on the grant date (see Note 15).

Stock Split - On November 2, 1998, our two-for-one common stock split became effective. All references in this annual report to the number of shares of common stock (including references to our broad-based employee stock option programs and our common stock repurchase programs), our earnings per share and our per share common stock prices have been restated to reflect the stock split.

Derivatives and Hedging Activities - In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not designated as part of a hedging relationship must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either (1) offset against the change in fair value of the hedged asset, liability or firm commitment through income or (2) held in equity until the hedged item is recognized in income. The ineffective portion of a hedge's change in fair value is immediately recognized in income. We will adopt SFAS 133, as amended, on July 1, 2000.

New Accounting Standards - During fiscal 2000, we adopted Staff Accounting Bulletin (SAB) 101, "Revenue Recognition in Financial Statements" (see Note 18). We also adopted Statement of Position (SOP) 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use." The adoption of SOP 98-1 did not have a material impact on our consolidated financial statements. During fiscal 1999, we adopted SFAS 130, "Reporting Comprehensive Income" (see Note 12), and SFAS 131, "Disclosures about Segments of an Enterprise and Related Information" (see Note 13). During fiscal 1998, we adopted SFAS 128, "Earnings Per Share" (see Note 14), and SFAS 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" (see Note 9).

2. FINANCIAL INSTRUMENTS

Our financial instruments, except long-term debt and our investment in Worldspan, are carried at fair value or have a carrying value which approximates fair value.

SHORT-TERM INVESTMENTS

Delta invests cash in excess of operating requirements in short-term, highly liquid investments. These investments are classified as available-for-sale securities and are stated at fair value. The aggregate fair value of short-term investments totaled $493 million and $19 million at June 30, 2000 and 1999, respectively. Accumulated other comprehensive income includes unrealized gains and losses from these investments, net of related deferred taxes. The unrealized gains and losses from our short-term investments were not material at June 30, 2000 and 1999.

MARKETABLE EQUITY SECURITIES

We sold our equity investments in Singapore Airlines and SAirGroup during fiscal 2000, and recognized pretax gains of $137 million and $29 million, respectively. Our investment in SkyWest, Inc. is classified as an available-for-sale security under SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," and is recorded at fair value. The following table summarizes these investments at June 30, 2000 and 1999:

(In Millions)	Quoted Fair Value		Cost Basis	Unrealized Gain	
	June 30, 2000	1999		June 30, 2000	1999
Singapore Airlines	$ --	$335	$ --	$ --	$154
SAirGroup	$ --	$110	$ --	$ --	$ 25
SkyWest	$115	$ 78	$ 14	$101	$ 64

Accumulated other comprehensive income includes the aggregate unrealized gains from our outstanding investments, net of the related deferred tax provision, at June 30, 2000 and 1999.

CONVERTIBLE SECURITIES

priceline.com, Inc. - During fiscal 1999, we entered into an agreement with priceline.com (priceline) under which ticket inventory provided by Delta may be sold through priceline's Internet-based e-commerce system. As part of this agreement, we received a warrant to purchase up to 18.6 million shares of priceline common stock for $0.93 per share. We did not recognize the value of the warrant in fiscal 1999 because its estimated fair value was not material. The warrant became fully exercisable on July 25, 1999.

We partially exercised the warrant on August 17, 1999, and exercised the remainder of the warrant on November 17, 1999. As a result of these exercises, we acquired 18.3 million shares of priceline common stock. We sold 12.3 million of these shares during fiscal 2000, and recognized a pretax cash gain of $784 million.

On November 17, 1999, priceline and Delta amended their original agreement. As a result of the amendment, Delta received (1) the right to exchange (exchange right) 6 million shares of priceline common stock for 6 million shares of priceline convertible preferred stock; and (2) a new warrant (new warrant) to acquire 5.5 million shares of priceline common stock for $56.625 per share. The new warrant may become exercisable in phases prior to December 31, 2000 if certain conditions are met. To the extent the conditions are met and the warrant becomes exercisable, it will expire on November 17, 2004. To the extent the conditions are not met, the new warrant will become exercisable on November 17, 2004 for a period of six months.

On June 30, 2000, we exercised our exchange right in full, receiving six million shares of priceline convertible preferred stock. These shares (1) have a stated value of $59.93 per share; (2) are convertible into shares of priceline common stock on a one-for-one basis; (3) bear a dividend of 8% per year, payable in shares of priceline common stock; (4) may be redeemed by priceline after April 1, 2003 for $59.93 per share plus accrued and unpaid dividends; and (5) are subject to mandatory redemption on April 1, 2010. As a result of the exchange, we recognized a pretax non-cash gain of $228 million.

The convertible preferred stock, the new warrant, and the shares of priceline common stock underlying these securities are not registered under the Securities Act of 1933, but we have certain demand and piggyback registration rights relating to the underlying shares of priceline common stock.

Based on an independent third party appraisal, the total fair value of the new warrant on the date received was determined to be $61 million. This amount will be recognized in income ratably over a three year period. The new warrant is reflected at its current estimated fair value in marketable equity securities on our Consolidated Balance Sheet as of June 30, 2000. Under our agreement with priceline, we are required to provide priceline access to unpublished fares.

Equant, N.V. - During fiscal 2000 and fiscal 1999, we sold a portion of our equity interest in Equant, realizing pretax gains of $24 million and $26 million, respectively. At June 30, 2000, we owned 540,852 depository certificates convertible, subject to certain conditions, into common stock of Equant. Our equity interest is not recorded on our Consolidated Balance Sheets at June 30, 2000. The shares of Equant common stock underlying these certificates had an estimated fair market value of $23 million at June 30, 2000.

LONG-TERM DEBT

The following table shows the estimated fair value and carrying value of our long-term debt, including current maturities, at June 30, 2000 and 1999:

(In Billions)	2000	1999
Fair value	$4.7	$2.6
Carrying value	$4.9	$2.4

Fair values are estimated based on quoted market prices, where available, or on discounted cash flow analyses. Changes in assumptions or estimation methods may significantly affect these fair value estimates.

3. INCOME TAXES

Deferred income taxes reflect the net tax effect of timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and for income tax purposes. The table below shows significant components of our deferred tax assets and liabilities at June 30, 2000 and 1999:

(In Millions)	2000	1999
DEFERRED TAX ASSETS:		
Postretirement benefits	$ 810	$ 766
Other employee benefits	340	335
Gains on sale and leaseback transactions (net)	216	296
Rent expense	218	206
Spare parts repair expense	159	151
Alternative minimum tax credit carryforwards	--	27
Other	271	171
Total deferred tax assets	$2,014	$1,952
DEFERRED TAX LIABILITIES:		
Depreciation and amortization	$2,158	$1,960
Other	369	344
Total deferred tax liabilities	$2,527	$2,304

Income taxes provided in fiscal 2000, 1999 and 1998 consisted of:

(In Millions)	2000	1999	1998
Current taxes	$(665)	$(372)	$(353)
Deferred taxes	(254)	(358)	(298)
Tax benefit of dividends on allocated Series B ESOP Convertible Preferred Stock	5	5	4
Income taxes provided	$(914)	$(725)	$(647)

The following table presents the principal reasons for the difference between the effective tax rate and the United States federal statutory income tax rate for fiscal 2000, 1999 and 1998:

	2000	1999	1998
U.S. federal statutory income tax rate	35%	35%	35%
State taxes, net of federal income tax effect	3.6%	3.6%	3.3%
Meals and entertainment	.8%	.8%	.8%
Amortization	.6%	.2%	.2%

Other, net	--%	.1%	--%
Effective income tax rate	40.0%	39.7%	39.3%

4. RISK MANAGEMENT

FUEL PRICE RISK MANAGEMENT

We use options and other non-leveraged, over-the-counter instruments, which have maturities of up to 36 months, to manage the risk associated with changes in aircraft fuel prices. The changes in the market value of our hedging contracts have a high correlation to changes in aircraft fuel prices. Gains and losses from fuel hedging contracts are recognized as part of fuel expense when we use the underlying fuel being hedged. Premiums paid to enter into hedging contracts are recorded as prepaid expenses and amortized on a straight-line basis to fuel expense over the contract settlement period. We do not enter into fuel hedging contracts for speculative purposes.

At June 30, 2000, we had outstanding hedge agreements for a total of 2.8 billion gallons of our projected aircraft fuel requirements for the period July 1, 2000 through June 30, 2003, including approximately 51% of our projected aircraft fuel requirements for the year ending June 30, 2001. At June 30, 2000, our fuel hedging contracts had an estimated fair value of $704 million, with unrealized gains of $555 million.

FOREIGN CURRENCY EXCHANGE RISK MANAGEMENT

From time to time, Delta enters into foreign currency option and forward contracts to manage the risk associated with foreign currency-denominated transactions. Contracts are denominated in the same currency in which the projected foreign cash flows are expected to occur and have maturities of up to twelve months. The estimated fair value of our foreign currency contracts was not material at June 30, 2000 and 1999. We do not enter into foreign currency hedging contracts for speculative purposes.

We recognize the gains and losses from foreign currency exchange contracts as a component of miscellaneous income (expense) as we recognize the underlying transaction. These gains and losses were not material for any period presented in our consolidated financial statements.

CREDIT RISK MANAGEMENT

To manage credit risk associated with our fuel price and foreign currency exchange risk management programs, we select counterparties based on their credit ratings and limit our exposure to any one counterparty under defined guidelines. We also monitor the market position of these programs and our relative market position with each counterparty. The credit exposure related to these programs was not significant at June 30, 2000.

Our accounts receivable are generated largely from the sale of passenger airline tickets and cargo transportation services to customers who are economically and geographically dispersed. In addition, our accounts receivable are generally short-term in duration. Therefore, we believe we have no significant concentration of credit risk.

5. LONG-TERM DEBT

The following table summarizes our long-term debt, including current maturities, at June 30, 2000 and 1999:

(In Millions)	2000	1999
8.3% Notes, unsecured, due December 15, 2029	$1,000	$ --
8.125% Notes, unsecured, due July 1, 2039	538	--
1999 Bank Credit Agreement, unsecured, 5.92% interest, due March 22, 2001	500	500
7.7% Notes, unsecured, due December 15, 2005	500	--
7.9% Notes, unsecured, due December 15, 2009	500	--
Development Authority of Clayton County 2000, unsecured loan agreement, Series 2000A $65 million due June 1, 2029, 4.7% interest; Series 2000B $116 million due May 1, 2035, 4.8% interest; and Series 2000C $120 million due May 1, 2035, 4.9% interest	301	--
6.65% Medium-Term Notes, Series C, unsecured, due March 15, 2004	300	300
8.1% Series C Guaranteed Serial ESOP Notes, unsecured, due in installments between 2002 and 2009	290	290
9.75% Debentures, unsecured, due May 15, 2021	158	250
Other unsecured debt due 2000 to 2022; Interest rates of 5.3% to 10.375%	817	1,076
Total	4,904	2,416
Less: Current maturities	526	660
Total long-term debt	$4,378	$1,756

Our variable interest rate long-term debt is shown using interest rates in effect at June 30, 2000.

FISCAL 2000 FINANCINGS

In July 1999, we issued $538 million of 8.125% unsecured notes in a public offering for general corporate purposes. The notes mature on July 1, 2039, but we may redeem the notes, in whole or in part, at par on or after July 1, 2004.

In November 1999, we borrowed $1.6 billion under a new term loan facility to finance our acquisition of Comair Holdings (see Note 17). In December 1999, we issued $2.0 billion aggregate principal amount of senior unsecured notes in a private placement, consisting of $500 million of 7.7% notes due 2005, $500 million of 7.9% notes due 2009, and $1 billion of 8.3% notes due 2029. The net proceeds from this offering were used to repay the $1.6 billion outstanding under the term loan facility described above; to fund the $200 million balance of the purchase price of our acquisition of Comair Holdings; and for general corporate purposes. In March 2000, we completed an exchange offer under which the notes issued in December 1999 (Old Notes) were exchanged for new notes (New Notes). The New Notes are substantially similar to the related series of Old Notes, except the New Notes are registered under the Securities Act of 1933.

In June 2000, the Development Authority of Clayton County (Development Authority) issued $301 million aggregate principal amount of bonds in three series with scheduled maturities between 2029 and 2035. The proceeds of this sale were loaned to us to refund bonds that had been issued to finance certain Delta facilities at Hartsfield Atlanta International Airport.

The Development Authority bonds currently bear interest at a variable rate which is determined weekly. The bonds may be tendered for purchase by their holders on seven days notice. Subject to certain conditions, tendered bonds will be remarketed at then prevailing interest rates.

Principal and interest on the bonds, and the payment of the purchase price of bonds tendered for purchase, are presently paid under three unconditional, direct-pay letters of credit totaling $305 million issued by a bank under a Reimbursement Agreement between Delta and a group of banks (Reimbursement Agreement). The Reimbursement Agreement generally provides that, if there is a drawing under the letters of credit to purchase bonds that have been tendered for purchase, Delta may convert its repayment obligation to a loan that becomes due and payable on the earlier of (1) the date the bonds are remarketed; or (2) the June 8, 2003 expiration date of the related letters of credit. Unless the existing letters of credit are extended, a mandatory tender of the bonds for purchase will occur on the fifth day prior to the expiration of such letters of credit. Among other options, Delta could seek to replace the expiring letters of credit with new letters of credit from an alternate credit provider and remarket the bonds.

1997 BANK CREDIT AGREEMENT

Under our 1997 Bank Credit Agreement with a group of banks, we may borrow up to $1.25 billion on an unsecured and revolving basis until May 1, 2002, subject to our compliance with certain conditions. We may use up to $700 million of this facility for the issuance of letters of credit. The interest rate under this facility is, at our option, LIBOR or the prime rate, plus a margin that is dependent on Delta's long-term senior unsecured debt ratings. We can also obtain loans through a competitive bid procedure.

The 1997 Bank Credit Agreement contains negative covenants that place certain limits on our ability to secure our property or assets; to incur or guarantee debt; and to enter into flight equipment leases. It also provides that, upon the occurrence of a change in control of Delta, (1) the banks' obligation to extend credit terminates; (2) any amounts outstanding under the 1997 Bank Credit Agreement become due and payable; and (3) Delta must deposit cash collateral with the banks in an amount equal to all letters of credit outstanding under that agreement. At June 30, 2000, there were no borrowings or letters of credit outstanding under the 1997 Bank Credit Agreement.

1999 BANK CREDIT AGREEMENT

During fiscal 1999, we entered into a $500 million credit agreement with a group of banks to finance a portion of our acquisition of ASA Holdings (see Note 17). The interest rate is, at our option, LIBOR or the prime rate, plus a margin that is dependent on Delta's long-term senior unsecured debt ratings. This agreement expires on March 22, 2001, and we may prepay the outstanding borrowings at any time. At June 30, 2000, $500 million was outstanding under this agreement.

SERIES C ESOP NOTES

At June 30, 2000, there were outstanding $290 million principal amount of the Delta Family-Care Savings Plan's Series C Guaranteed Series ESOP Notes (Series C ESOP Notes). The notes, which are payable in installments between 2002 and 2009, are guaranteed by Delta. We are required to purchase the Series C ESOP Notes at the option of the noteholders in certain circumstances if the notes are not rated at least A3 by Moody's and A- by Standard & Poor's (required ratings). Our purchase price would be equal to the principal amount of the Series C ESOP Notes being purchased plus accrued interest and, if applicable, a make whole premium amount.

The holders of the Series C ESOP Notes are presently entitled to the benefits of an unconditional, direct-pay letter of credit issued by Bayerische Hypo-Und Vereinsbank AG under a credit agreement between Delta and a group of banks (the Letter of Credit Facility). Required payments of principal, interest and make whole premium amount on the Series C ESOP Notes are paid under the letter of credit. At

June 30, 2000, the letter of credit totaled $421 million, covering the $290 million outstanding principal amount of the Series C ESOP Notes, approximately one year of interest on the notes and $98 million of make whole premium amount.

The Letter of Credit Facility and the related letter of credit expire on May 19, 2003. The Letter of Credit Facility provides that, if there is a drawing under the letter of credit, Delta must immediately repay the amount drawn or convert its repayment obligation to a short-term loan.

Due to the existence of the letter of credit, the Series C ESOP Notes currently have the required ratings. However, these ratings are subject to change at any time. The Series C ESOP Notes are not likely to receive the required ratings without a credit enhancement such as the letter of credit, unless Delta's long-term senior unsecured debt is rated at least A3 by Moody's and A- by Standard & Poor's. At June 30, 2000, our long-term senior unsecured debt was rated Baa3 and BBB-, respectively.

COVENANTS AND CHANGE IN CONTROL PROVISIONS

The Reimbursement Agreement, the 1999 Bank Credit Agreement and the Letter of Credit Facility contain negative covenants and a change in control provision that are similar to or less restrictive than the corresponding provisions in our 1997 Bank Credit Agreement. The 1999 Bank Credit Agreement also requires us to maintain a specified coverage ratio as of the last day of each fiscal quarter if our senior unsecured debt is rated below investment grade.

Our debt agreements do not limit the payment of dividends on our capital stock. The terms of the Series B ESOP Convertible Preferred Stock limit our ability to pay cash dividends to our common shareowners in certain circumstances (see Note 10).

ASA's credit agreements contain negative covenants that apply only to the financial position of ASA. The covenants, among other things, limit ASA's ability to transfer funds in the form of cash dividends, loans or advances. At June 30, 2000, approximately $300 million of ASA's net assets were subject to these restrictions and approximately $60 million of net assets were available for distribution by ASA to Delta under the most restrictive of these provisions.

FUTURE MATURITIES

At June 30, 2000, the scheduled maturities of our long-term debt during the next five fiscal years were as follows:

Year Ending June 30, (In Millions)	Principal Amount
2001	$ 526
2002	90
2003	61
2004	356
2005	569
After 2005	3,302

Capitalized interest totaled $49 million, $46 million and $38 million in fiscal 2000, 1999 and 1998, respectively.

6. ASSET WRITEDOWNS AND OTHER SPECIAL CHARGES

In fiscal 2000, we recorded pretax charges totaling $555 million for the following:

- Management decided to accelerate the planned retirement of our 16 MD-90 aircraft and 8 owned MD-11 aircraft as part of our fleet simplification strategy. As a result, we reviewed these fleet types for impairment, determining that the estimated future cash flows generated by these aircraft are less than their carrying values. The estimated future cash flows were based on projections of passenger yield, fuel costs, labor costs and other relevant factors in the markets in which these aircraft will operate. These aircraft were written down to their fair values, as estimated by management using published sources and bids received from third parties. Due to this impairment analysis, we recorded a pre-tax asset writedown of $320 million in the quarter ended December 31, 1999.

- We changed our business practice regarding the disposal of surplus aircraft parts and entered into an agreement to sell all of our existing surplus aircraft parts inventory to a third party. Accordingly, we wrote down surplus aircraft parts and obsolete flight equipment and parts to their estimated fair values. We determined the estimated fair value of inventory using the negotiated purchase price.

This resulted in a pretax charge of $107 million in the quarter ended September 30, 1999. As of June 30, 2000, substantially all of the equipment and parts under this agreement had been sold and transferred.

- We offered an early retirement medical option to allow eligible Delta employees to retire with continued medical coverage without paying certain early retirement medical premiums. Approximately 2,500 employees elected to participate in the program. We recorded a pretax charge of $86 million ($53 million after tax, or $.40 basic and $.38 diluted EPS) as a result of this program in the quarter ended June 30, 2000.

- Delta implemented certain technology initiatives which resulted in an abandonment of certain legacy hardware and software assets. We also decided to streamline certain administrative processes. Accordingly, we recorded a pretax charge of $42 million in the quarter ended September 30, 1999. We also remeasured the useful lives of certain technology assets that are still in use but that will be replaced earlier than originally planned. The effect on depreciation expense was immaterial.

7. LEASE OBLIGATIONS

Delta leases aircraft, airport terminal and maintenance facilities, ticket offices, and other property and equipment. We record rent expense on a straight-line basis over the life of the lease. Rental expense for operating leases totaled $1.2 billion, $1.1 billion and $0.9 billion in fiscal 2000, 1999 and 1998, respectively. Amounts due under capital leases are recorded as liabilities. Our interest in assets acquired under capital leases is shown as assets on our Consolidated Balance Sheets. Amortization of assets recorded under capital leases is included in depreciation expense in our Consolidated Statements of Income.

The following table summarizes, as of June 30, 2000, our minimum rental commitments under capital leases and operating leases with initial or remaining terms of more than one year:

Years Ending June 30, (In Millions)	Capital Leases	Operating Leases
2001	$ 57	$ 1,200
2002	57	1,200
2003	48	1,170
2004	32	1,120
2005	17	1,110
After 2005	23	9,060
Total minimum lease payments	234	$14,860
Less: Amounts of lease payments which represent interest	44	
Present value of future minimum capital lease payments	190	
Less: Current obligations under capital leases	43	
Long-term capital lease obligations	$147	

As of June 30, 2000, we operated 317 aircraft under operating leases and 48 aircraft under capital leases. These leases have remaining terms ranging from five months to 18 years.

Certain municipalities have issued special facility revenue bonds to build or improve airport and maintenance facilities leased to Delta. The facility lease agreements require Delta to make rental payments sufficient to pay principal and interest on the bonds. The above table includes $2.1 billion of rental commitments for such payments.

8. PURCHASE COMMITMENTS AND CONTINGENCIES

Future expenditures for aircraft and engines on firm order as of August 11, 2000 are estimated to be $9.5 billion. The following table shows the timing of these commitments:

Years Ending June 30, (In Millions)	Amount
2001	$2,700
2002	2,300
2003	1,350
2004	1,110
2005	1,360
After 2005	710
Total	$9,530

We have entered into a joint marketing and Delta Connection carrier agreement with Atlantic Coast Airlines Holdings, Inc. (ACA) and its newly formed operating affiliate, Atlantic Coast Jet, Inc. (ACJet). Under this agreement, Delta schedules certain regional jets operated by ACJet, and sells the seats on and retains the revenue from those flights. We pay ACJet an amount that is based on its costs to operate those flights and a specified margin. We estimate these payments will be $73 million for the twelve months ending June 30, 2001. This agreement expires on March 31, 2010, but may be terminated by Delta at an earlier date in certain circumstances.

Delta is a defendant in legal actions relating to antitrust matters, employment practices, environmental issues, and other matters concerning our business. Although the ultimate outcome of these matters cannot be predicted with certainty, we believe that the resolution of these actions is not likely to have a material adverse effect on our consolidated financial statements.

Delta self-insures a portion of its losses from claims related to workers' compensation, environmental, physical damage and general liability. Losses are accrued based on an estimate of the ultimate aggregate liability for claims incurred, using certain actuarial assumptions followed in the insurance industry and based on Delta's experience.

Approximately 16% of our employees are covered by collective bargaining agreements. See "Collective Bargaining Matters" on page 30 of Management's Discussion and Analysis for additional information on this subject.

9. EMPLOYEE BENEFIT PLANS

Delta sponsors defined benefit and defined contribution pension plans, healthcare plans, and disability and survivorship plans for eligible employees, their eligible family members and retirees. We reserve the right to modify or terminate these plans as to all participants and beneficiaries at any time, except as restricted by the Internal Revenue Code or ERISA.

DEFINED BENEFIT PENSION PLANS

Our qualified defined benefit pension plans currently meet or exceed ERISA's minimum funding requirements.

The following table shows the change in projected benefit obligation for our defined benefit pension plans for the plan years ended June 30, 2000 and 1999:

(In Millions)	2000	1999
Projected benefit obligation at beginning of year	$8,872	$8,342
Service cost	251	240
Interest cost	644	585
Actuarial (gain) loss	(402)	158
Benefits paid	(491)	(456)
Plan amendments	27	3
Projected benefit obligation at end of year	$8,901	$8,872

The following table shows the change in the fair value of our defined benefit pension plan assets for the plan years ended June 30, 2000 and 1999:

(In Millions)	2000	1999
Fair value of plan assets at beginning of year	$ 9,020	$9,121
Actual return on plan assets	2,144	310
Employer contributions	48	45
Benefits paid	(491)	(456)
Fair value of plan assets at end of year	$10,721	$9,020

The accrued pension cost recognized for these plans on our Consolidated Balance Sheets at June 30, 2000 and 1999 is computed as follows:

(In Millions)	2000	1999
Funded status	$ 1,820	$ 148

Unrecognized net actuarial gain	(2,301)	(607)
Unrecognized transition obligation	58	60
Unrecognized prior service cost	57	37
Contributions made between April 1 and June 30	14	12
Intangible asset	(9)	(13)
Other comprehensive income	(1)	(2)
Accrued pension cost recognized in the Consolidated Balance Sheets	$ (362)	$(365)

Net periodic pension cost for fiscal 2000, 1999 and 1998 included the following components:

(In Millions)	2000	1999	1998
Service cost	$ 251	$240	$209
Interest cost	644	585	575
Expected return on plan assets	(852)	(776)	(685)
Amortization of prior service cost	4	5	3
Recognized net actuarial (gain) loss	--	--	(4)
Amortization of net transition obligation	2	2	2
Net periodic pension cost	$ 49	$ 56	$100

We used the following actuarial assumptions to determine the actuarial present value of our projected benefit obligation:

March 31:	2000	1999
Weighted average discount rate	8.25%	7.25%
Rate of increase in future compensation levels	4.93%	4.43%
Expected long-term rate of return on plan assets	10.00%	10.00%

Delta also sponsors non-qualified pension plans which are funded from current assets. The accumulated benefit obligation of these plans totaled $337 million at March 31, 2000, and $301 million at March 31, 1999.

Defined Contribution Pension Plans

Delta Pilots Money Purchase Pension Plan (MPPP)--We contribute 5% of covered pay to the MPPP for each eligible Delta pilot. The MPPP is related to the Delta Pilots Retirement Plan. The defined benefit pension payable to a pilot is reduced by the actuarial equivalent of the accumulated account balance in the MPPP. During fiscal 2000, 1999 and 1998, we recognized expense of $57 million, $53 million and $54 million, respectively, for this plan.

Delta Family-Care Savings Plan-Our Savings Plan--includes an employee stock ownership plan (ESOP) feature. Eligible personnel may contribute a portion of their earnings to the Savings Plan. Delta matches 50% of those contributions with a maximum employer contribution of 2% of a participant's earnings. We make quarterly employer contributions by allocating Series B ESOP Convertible Preferred Stock, common stock or cash to the plan. These contributions, which are recorded as salaries and related costs in our Consolidated Statements of Income, totaled $58 million, $52 million and $49 million in fiscal 2000, 1999 and 1998, respectively.

When we adopted the ESOP in 1989, we sold 6,944,450 shares of Series B ESOP Convertible Preferred Stock to the Savings Plan for $500 million. We have recorded unearned compensation equal to the value of the shares of preferred stock not yet allocated to participants' accounts. We reduce the unearned compensation as shares of preferred stock are allocated to participants' accounts. Dividends on unallocated shares of preferred stock are used for debt service on the Savings Plan's Series C ESOP Notes and are not considered dividends for financial reporting purposes. Dividends on allocated shares of preferred stock are credited to participants' accounts and are considered dividends for financial reporting purposes. Only allocated shares of preferred stock are considered outstanding when we compute diluted earnings per share. At June 30, 2000, 2,971,790 shares of Series B ESOP Convertible Preferred Stock were allocated to participants' accounts.

Delta Connection Carrier Savings Plans-ASA and Comair sponsor defined contribution retirement plans for eligible employees. Eligible personnel may contribute a portion of their earnings to the plans through payroll deduction. Neither plan had a material impact on our consolidated financial statements for the year ended June 30, 2000.

Postretirement Benefits Other Than Pensions

Our medical plans provide medical and dental benefits to substantially all Delta retirees and their eligible dependents. Benefits are funded from our general assets on a current basis. Plan benefits are subject to copayments, deductibles and other limits as described in the plans. Benefits are reduced when a retiree is eligible for Medicare.

The following table shows the change in our accumulated postretirement benefit obligation (APBO) for the plan years ended June 30, 2000 and 1999:

(In Millions)	2000	1999
APBO at beginning of year	$1,612	$1,627
Service cost	38	37
Interest cost	117	112
Benefits paid	(80)	(71)
Actuarial gain	(52)	(65)
Substantive plan change	28	(28)
Special termination benefits	86	--
APBO at end of year	$1,749	$1,612

The special termination benefits reflected in the above table relate to the early retirement medical option offered to certain Delta employees (see Note 6).

The following table shows the calculation of the accrued postretirement benefit cost recognized on our Consolidated Balance Sheets at June 30, 2000 and 1999:

(In Millions)	2000	1999
Funded status	$(1,749)	$(1,612)
Unrecognized net (gain) loss	(51)	1
Unrecognized prior service cost	(302)	(371)
Contributions made between April 1 and June 30	20	17
Accrued postretirement benefit cost recognized in the Consolidated Balance Sheets	$(2,082)	$(1,965)

Our net periodic postretirement benefit cost for fiscal 2000, 1999 and 1998 included the following components:

(In Millions)	2000	1999	1998
Service cost	$ 38	$ 37	$ 33
Interest cost	117	112	110
Amortization of prior service cost	(41)	(40)	(38)
Recognized net actuarial (gain) loss	--	--	(2)
Other	--	(10)	--
Net periodic postretirement benefit cost	$114	$ 99	$103

We used the following actuarial assumptions to determine the actuarial present value of our APBO:

March 31:	2000	1999
Weighted average discount rate	8.25%	7.25%
Assumed health care cost trend rate(*)	7.00%	5.50%

(*) The assumed healthcare cost trend rate is assumed to decline gradually to 5.25% in 2003 and remain level thereafter.

A 1% change in the health care cost rate used in measuring the APBO at March 31, 2000 would have the following effects:

(In Millions)	1% Increase	1% Decrease
Increase (decrease) in total service and interest cost	$ 14	$ (16)
Increase (decrease) in the APBO	$176	$(149)

Postemployment Benefits-Delta provides certain other welfare benefits to eligible former or inactive employees after employment but before retirement, primarily as part of the disability and survivorship plans.

Postemployment benefit expense (income) was $11 million in fiscal 2000, $(13) million in fiscal 1999, and $74 million in fiscal 1998. We include the amount funded in excess of the liability in other non-current assets on our Consolidated Balance Sheets. Future period expenses will vary based on actual claims experience and the return on plan assets. Gains and losses occur because actual experience differs from assumed experience. These gains and losses are amortized over the average future service period of employees. We also amortize differences in prior service costs resulting from amendments affecting the benefits of retired and inactive employees.

We continually evaluate ways to better manage employee benefits and control costs. Any changes to the plans or assumptions used to estimate future benefits could have a significant effect on the amount of the reported obligation and future annual expense.

10. COMMON AND PREFERRED STOCK

In fiscal 2000, we issued 376,412 shares of common stock under our broad-based employee stock option plans, and a total of 216,222 shares of common stock under our 1989 Stock Incentive Plan, Dividend Reinvestment and Stock Purchase Plan, and Non-Employee Directors' Stock Plan. During fiscal 2000, we repurchased 16.5 million shares of common stock as part of our share repurchase programs described in Note 11.

At June 30, 2000, 66.6 million shares of our common stock were reserved for issuance, including 38.2 million common shares under our broad-based employee stock option plans, and 11.1 million common shares for conversion of the Series B ESOP Convertible Preferred Stock.

The Series B ESOP Convertible Preferred Stock pays a cumulative cash dividend of 6% per year per share; is convertible into 1.7155 shares of common stock at a conversion price of $41.97 per share; and has a liquidation price of $72 per share, plus accrued and unpaid dividends. The preferred stock generally votes together as a single class with the common stock and has two votes per share. It is redeemable at our option at $72 per share, payable in cash or common stock. We cannot pay cash dividends on common stock until all cumulative dividends on the preferred stock have been paid. The conversion rate, conversion price and voting rights of the preferred stock are subject to adjustment in certain circumstances.

The Shareowner Rights Plan is designed to protect shareowners against attempts to acquire Delta that do not offer an adequate purchase price to all shareowners, or are otherwise not in the best interest of Delta and our shareowners. Under the plan, each outstanding share of common stock is accompanied by one-half of a preferred stock purchase right. Each whole right entitles the holder to purchase 1/100 of a share of Series D Junior Participating Preferred Stock at an exercise price of $300, subject to adjustment.

The rights become exercisable only after a person acquires, or makes a tender or exchange offer that would result in the person acquiring, beneficial ownership of 15% or more of our common stock. If a person acquires beneficial ownership of 15% or more of our common stock, each right will entitle its holder (other than the acquiring person) to exercise his rights to purchase our common stock having a market value of twice the exercise price.

If a person acquires beneficial ownership of 15% or more of our common stock and (1) we are involved in a merger or other business combination in which Delta is not the surviving corporation, or (2) we sell more than 50% of our assets or earning power, then each right will entitle its holder (other than the acquiring person) to exercise his rights to purchase common stock of the acquiring company having a market value of twice the exercise price.

The rights expire on November 4, 2006. Delta may redeem the rights for $0.01 per right at any time before a person becomes the beneficial owner of 15% or more of our common stock.

11. COMMON STOCK REPURCHASES

Our Board of Directors has authorized various repurchases of our common stock. In fiscal 2000, we repurchased 16.5 million shares of common stock for $790 million. This included five million shares held by Singapore Airlines. In fiscal 1999, we repurchased 15.0 million shares of common stock for $878 million.

We are also authorized to repurchase the 49.4 million shares of common stock that may be issued under our broad-based employee stock option plans (See Note 15). As of June 30, 2000, we had repurchased 21.4 million shares for $962 million under this authorization. We are authorized to repurchase the remaining shares as employees exercise their stock options under those plans. Repurchases are subject to market conditions, and may be made on the open market or in privately negotiated transactions.

12. COMPREHENSIVE INCOME

Comprehensive income for the fiscal years ended June 30, 2000, 1999 and 1998 included the following components:

(In Millions)	2000	1999	1998
Net income	$1,303	$1,101	$1,001
Realization of gain from Singapore and Swissair	(179)	--	--
Unrealized gain (loss) on marketable equity securities	4	99	(22)
Other	(3)	--	1
Total other comprehensive income	(178)	99	(21)
Income tax effect on other comprehensive income	69	(39)	9
Total other comprehensive income, net of income taxes	(109)	60	(12)
Comprehensive income, net of income taxes	$1,194	$1,161	$ 989

13. Geographic Information

SFAS 131 requires us to disclose certain information about our operating segments. Operating segments are defined as components of an enterprise with separate financial information which is evaluated regularly by the chief operating decision maker and is used in resource allocation and performance assessments. We are managed as a single business unit that provides air transportation of passengers and cargo. Our operating revenues by geographic region for fiscal 2000, 1999 and 1998 are summarized in the following table:

(In Millions)	2000	1999	1998
North America	$13,211	$11,956	$11,416
Atlantic	1,960	1,973	2,092
Pacific	302	326	304
Latin America	415	342	245

Total	$15,888	$14,597	$14,057

Operating revenues are assigned to a specific geographic region based on the origin and destination of each flight segment. Our tangible assets consist primarily of flight equipment, which is mobile across geographic markets. Accordingly, assets are not allocated to specific geographic regions.

14. Earnings Per Share

We calculate basic EPS by dividing the income available to common shareowners by the weighted average number of common shares outstanding.

Diluted EPS includes the dilutive effects of stock options and convertible securities. The following table shows our computation of basic and diluted EPS:

Fiscal Year Ended June 30, (In Millions, except per share data)	2000	1999	1998
Basic:			
Net income	$ 1,303	$1,101	$1,001
Dividends on allocated Series B ESOP Convertible Preferred Stock	(12)	(11)	(11)
Income available to common shareowners	$1,291	$1,090	$ 990
Weighted average shares outstanding	130.2	142.9	149.2
Basic earnings per share	$ 9.92	$ .63	$ 6.64
Diluted:			
Net income	$ 1,303	$1,101	$1,001
Adjustment to net income assuming conversion of allocated Series B ESOP Convertible Preferred Stock	(5)	(4)	(4)
Income available to common shareowners	$1,298	$1,097	$ 997
Weighted average shares outstanding	130.2	142.9	149.2
Additional shares assuming:			
Exercise of stock options	5.1	4.7	3.8
Conversion of allocated Series B ESOP Convertible Preferred Stock	2.4	4.7	4.2
Conversion of performance-based stock units	.2	--	--
Weighted average shares outstanding as adjusted	137.9	152.3	157.2
Diluted earnings per share	$ 9.42	$ 7.20	$ 6.34

15. Stock Options and Awards

Under our 1989 Stock Incentive Plan, we granted various stock based awards including non-qualified stock options and tandem stock appreciation rights (SARs) to officers and other key employees. The exercise price for all stock options, and the base measuring price of the SARs, is the fair market value of our common stock on the grant date.

In fiscal 1997, our shareowners approved two broad-based employee stock option plans for nonpilot personnel and pilots. On October 30, 1996, 1997 and 1998, Delta granted eligible employees non-qualified stock options to purchase a total of 49.4 million shares of common stock at an exercise price equal to the fair market value of the common stock on the grant date. The stock options are generally exercisable during the period beginning one year, and ending ten years, after the grant date, and are not transferable for any reason other than the death of the employee. The following table summarizes grant activity under the broad-based plans (including 200,000 options which were regranted after earlier forfeitures):

Grant Date	Options Granted (In Millions)	Exercise Price (Per Share)
October 30, 1996	16.4	$34.50
October 30, 1997	16.6	$49.00
October 30, 1998	16.6	$50.59

During fiscal 2000, all options were granted under the 1989 Stock Incentive Plan.

The following table summarizes all stock option and SAR activity during fiscal 2000, 1999 and 1998:

	2000		1999		1998	
Stock Options	Shares (000)	Weighted Average Exercise Price	Shares (000)	Weighted Average Exercise Price	Shares (000)	Weighted Average Exercise Price
Outstanding at beginning of fiscal year	46,144	$48	30,006	$45	19,802	$35
Granted	3,039	57	19,639	51	19,698	50
Exercised	(587)	43	(3,256)	41	(9,318)	35
Forfeited	(851)	50	(245)	51	(176)	46
Outstanding at end of fiscal year	47,745	52	46,144	48	30,006	45
Stock options exercisable at fiscal year end	44,833	$47	26,640	$45	10,422	$35

The following table summarizes information about stock options outstanding and exercisable at June 30, 2000:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding (000)	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Exercisable (000)	Weighted Average Exercise Price
$26-$34	216	4	$26	216	$26
$35-$41	7,929	4	35	7,929	35
$42-$63	39,600	5	51	36,688	50

The estimated fair values of stock options granted in fiscal 2000, 1999 and 1998 were derived using the Black-Scholes stock option pricing model. The following table shows our assumptions and the weighted average fair values of stock options:

Assumption	Stock Options Granted in Fiscal Year 2000	1999	1998
Risk-free interest rate	6.0%	4.3%	5.8%
Average expected life of stock options (in years)	7.9	5.1	3.3
Expected volatility of common stock	26.8%	26.3%	25.3%
Expected annual dividends on common stock	$0.10	$0.10	$0.10
Weighted average fair value of stock options	$ 26	$ 16	$ 13

The following table shows our net income and earnings per share for fiscal 2000, 1999 and 1998 as if we accounted for our stock option plans under the fair value method of SFAS 123:

	2000	1999	1998
Net income (in millions):			
As reported	$1,303	$1,101	$1,001
Fair value method under SFAS 123	1,186	935	875
Basic earnings per share:			
As reported	$ 9.92	$ 7.63	$ 6.64
Fair value method under SFAS 123	9.01	6.47	5.80
Diluted earnings per share:			
As reported	$ 9.42	$ 7.20	$ 6.34
Fair value method under SFAS 123	8.53	6.11	5.54

Under SFAS 123, we are not required to include stock options granted before fiscal 1996 as compensation in determining pro forma net income. Therefore, the pro forma effects of SFAS 123 on net income and earnings per share for the periods presented may not be representative of the pro forma effects of SFAS 123 in future years.

Subsequent to June 30, 2000, we granted stock options covering a total of 3.1 million shares of common stock under the 1989 Stock Incentive Plan, with exercise prices ranging from $52.75 to $55.81 per share.

16. SALE OF RECEIVABLES

During June 1999, we entered into an agreement under which we sold a defined pool of our accounts receivable, on a revolving basis, through a wholly owned subsidiary to a third party. We initially sold receivables with a fair value of $547 million to the subsidiary. In exchange for the receivables sold, we received (1) $325 million in cash from the subsidiary's sale of an undivided interest in the pool of receivables to a third party and (2) a $222 million subordinated promissory note from the subsidiary. The amount of the promissory note fluctuates because it represents the portion of the purchase price payable for the volume of receivables sold. We retained servicing and record-keeping responsibilities for the receivables sold. This agreement was renewed on June 15, 2000, and will expire on June 15, 2001.

As part of the agreement, the subsidiary is obligated to pay fees to a third party based on the amounts invested by the third party. For fiscal 2000 and 1999, these fees were $20 million and $2 million, respectively. The fees are included in other income (expense) under miscellaneous income (expense), net in our Consolidated Statements of Income. The principal amount of the promissory note was $122 million and $175 million at June 30, 2000 and 1999, respectively, and is included as accounts receivable on our Consolidated Balance Sheets.

17. BUSINESS ACQUISITIONS

COMAIR HOLDINGS, INC.

In fiscal 2000, we acquired all the remaining outstanding common stock of Comair Holdings for $1.8 billion. Comair Holdings is a holding company whose principal asset is its 100% ownership of Comair, a regional jet carrier. Prior to this acquisition, we owned 22% of Comair Holdings' outstanding common stock.

We used the purchase method of accounting to record the acquisition of Comair Holdings. The purchase price of the shares acquired was allocated to the assets acquired and the liabilities assumed based on the preliminary estimated fair values at the acquisition date. Based on the allocation as of June 30, 2000, the total cost of the acquisition exceeded the estimated fair value of the underlying net assets by $1.4 billion, which is being amortized on a straight-line basis over a 40 year period. Our consolidated financial statements as of June 30, 2000 include

Comair Holdings' balance sheet as of June 30, 2000 and results of operations from November 22, 1999.

ASA HOLDINGS, INC.

In fiscal 1999, we acquired all the remaining outstanding common stock of ASA Holdings for $700 million. ASA Holdings is a holding company whose principal asset is its 100% ownership of ASA, a regional air carrier. Prior to this acquisition, we owned 28% of ASA Holdings' outstanding common stock.

We used the purchase method of accounting to record the acquisition of ASA Holdings. The purchase price of the shares acquired was allocated to the assets acquired and the liabilities assumed based on the estimated fair values at the acquisition date. The total cost of the acquisition exceeded the estimated fair value of the underlying net assets by $519 million, which is being amortized on a straight-line basis over a 40 year period. Our consolidated financial statements as of June 30, 1999 include ASA Holdings' balance sheet as of June 30, 1999, as well as its results of operations from April 1, 1999.

18. CHANGE IN ACCOUNTING PRINCIPLE

Delta sells mileage credits in the SkyMiles(R) program to participating partners such as credit card companies, hotels, and car rental agencies. During fiscal 2000, in accordance with SAB 101, we changed our method of accounting for the sale of these mileage credits. Under the new accounting method, a portion of the revenue from the sale of mileage credits is deferred until earned, and is recognized when the credits are redeemed for travel. The majority of the revenue from the sale of mileage credits is recorded in passenger revenue, and the remaining portion is recorded as an offset to expense. Previously, the revenue from the sale of mileage credits was recorded in other revenue in the period in which the credits were sold. All prior year amounts have been reclassified to conform with the current year presentation.

We retroactively adopted this change in accounting principle as of July 1, 1999. It resulted in a cumulative effect charge of $66 million ($108 million before income taxes), and decreased net income for fiscal 2000 by $21 million (a $34 million decrease before income taxes).

Unaudited pro forma results assuming retroactive application of the change in accounting principle for fiscal 2000, 1999 and 1998 are shown below:

(In millions, except for per share data):

	2000	1999	1998
Net income before cumulative effect of change in accounting principle	$1,369	$1,083	$ 991
Basic EPS	$10.42	$ 7.50	$6.57
Diluted EPS	$ 9.90	$ 7.08	$6.28

For comparative purposes, our results excluding implementation of the change in accounting principle for fiscal 2000, 1999 and 1998 are shown below:

(In millions, except for per share data):

	2000	1999	1998
Net income before cumulative effect of change in accounting principle	$1,390	$1,101	$1,001
Basic EPS	$10.58	$ 7.63	$ 6.64
Diluted EPS	$10.04	$ 7.20	$ 6.34

19. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes our unaudited quarterly results of operations for fiscal 2000 and 1999 (in millions, except per share data):

	Three Months Ended			
Fiscal 2000	Sept. 30	Dec. 31	Mar. 31	June 30
Operating revenues	$3,829	$3,678	$3,911	$4,470
Operating income	$ 336	$ 2	$ 343	$ 607
Net income	$ 344	$ 348	$ 217	$ 460
Basic earnings per share(*)	$ 1.99	$ 2.60	$ 1.68	$ 3.73
Diluted earnings per share(*)	$ 1.88	$ 2.48	$ 1.61	$ 3.51

	Three Months Ended			
Fiscal 1999	Sept. 30	Dec. 31	Mar. 31	June 30
Operating revenues	$3,777	$3,424	$3,476	$3,920
Operating income	$ 552	$ 320	$ 356	$ 642
Net income	$ 327	$ 194	$ 216	$ 364
Basic earnings per share(*)	$ 2.19	$ 1.34	$ 1.51	$ 2.59
Diluted earnings per share(*)	$ 2.08	$ 1.29	$ 1.42	$ 2.40

(*) The sum of the quarterly earnings per share does not equal the fiscal earnings per share due to changes in average shares outstanding.

REPORT OF MANAGEMENT

DELTA AIR LINES, INC.

The integrity and objectivity of the information presented in this Annual Report are the responsibility of Delta management. The financial statements contained in this report have been audited by Arthur Andersen LLP, independent public accountants, whose report appears below.

Delta maintains a system of internal financial controls which are independently assessed on an ongoing basis through a program of internal audits. These controls include the selection and training of Delta's managers, organizational arrangements that provide a division of responsibilities, and communication programs explaining our policies and standards. We believe that this system provides reasonable assurance that transactions are executed in accordance with management's authorization; that transactions are appropriately recorded to permit preparation of financial statements that, in all material respects, are presented in conformity with accounting principles generally accepted in the United States; and that assets are properly accounted for and safeguarded against loss from unauthorized use.

The Board of Directors pursues its responsibilities for these financial statements through its Audit Committee, which consists solely of directors who are neither officers nor employees of Delta. The Audit Committee meets periodically with the independent public accountants, the internal auditors and representatives of management to discuss internal control, accounting, auditing and financial reporting matters.

/s/ M. MICHELE BURNS	*/s/ LEO F. MULLIN*
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M. Michele Burns	*Leo F. Mullin*
Executive Vice President and	*Chairman and*
Chief Financial Officer	*Chief Executive Officer*

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

DELTA AIR LINES, INC.

TO DELTA AIR LINES, INC.:

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (a Delaware corporation) and subsidiaries as of June 30, 2000 and 1999, and the related consolidated statements of income, cash flows and shareowners' equity for each of the three years in the period ended June 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Delta Air Lines, Inc. and subsidiaries as of June 30, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 2000, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 18 to the consolidated financial statements, effective July 1, 1999, the Company changed its method of accounting for the sale of mileage credits to participating partners in its frequent flyer program.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
August 11, 2000

CONSOLIDATED SUMMARY OF OPERATIONS

DELTA AIR LINES, INC.

For the fiscal years ended June 30,	2000(1)	1999	1998	1997(2)
(In Millions, Except Per Share Data)				
Operating revenues	$15,888	$14,597	$14,057	$13,517
Operating expenses	14,600	12,727	12,363	11,986
Operating income (loss)	1,288	1,870	1,694	1,531
Interest expense, net	(305)	(153)	(148)	(174)
Miscellaneous income, net(7)	1,300	109	102	58
Income (loss) before income taxes	2,283	1,826	1,648	1,415
Income tax (provision) benefit	(914)	(725)	(647)	(561)
Amortization of investment tax credits	--	--	--	--
Net income (loss) before cumulative effect of change in accounting principle	1,369	1,101	1,001	854
Net income (loss) after cumulative effect of change in accounting principle	1,303	1,101	1,001	854
Preferred stock dividends	(12)	(11)	(11)	(9)
Net income (loss) attributable to common shareowners	$ 1,291	$ 1,090	$ 990	$ 845
Earnings (loss) per share before cumulative effect of change in accounting principle				
Basic	$ 10.42	$ 7.63	$ 6.64	$ 5.70
Diluted	$ 9.90	$ 7.20	$ 6.34	$ 5.52
Earnings (loss) per share(8)				
Basic	$ 9.92	$ 7.63	$ 6.64	$ 5.70
Diluted	$ 9.42	$ 7.20	$ 6.34	$ 5.52
Dividends declared on Common Stock	$ 13	$ 14	$ 15	$ 15
Dividends declared per common share(8)	$ 0.10	$ 0.10	$ 0.10	$ 0.10

OTHER FINANCIAL AND STATISTICAL DATA

DELTA AIR LINES, INC.

For the fiscal years ended June 30,	2000(1)	1999	1998	1997(2)
(Financial Data In Millions)				
Total assets	$20,566	$16,750	$14,603	$12,741
Long-term debt and capital leases (excluding current maturities)	$ 4,525	$ 1,952	$ 1,782	$ 1,797
Shareowners' equity	$ 4,873	$ 4,448	$ 4,023	$ 3,007
Shares of Common Stock outstanding at year end(8)	122,639,566	138,553,719	150,450,394	147,391,974
Revenue passengers enplaned (Thousands)	116,595	106,902	104,148	101,147
Available seat miles (Millions)	151,913	144,003	140,149	136,821
Revenue passenger miles (Millions)	110,347	104,575	101,136	97,758
Operating revenue per available seat mile	10.46(cent)	10.14(cent)	10.03(cent)	9.88(cent)
Passenger mile yield	13.48(cent)	13.09(cent)	13.03(cent)	12.98(cent)
Operating cost per available seat mile	9.61(cent)	8.84(cent)	8.82(cent)	8.76(cent)
Passenger load factor	72.6%	72.6%	72.2%	71.4%
Breakeven passenger load factor	66.4%	62.7%	62.9%	62.8%
Available ton miles (Millions)	22,068	20,627	19,890	18,984
Revenue ton miles (Millions)	12,504	12,115	11,859	11,308
Operating cost per available ton mile	66.16(cent)	61.70(cent)	62.16(cent)	63.14(cent)

(1) Summary of operations and other financial and statistical data include pretax income of $574 million, net from nonrecurring items ($2.69 basic and $2.54 diluted after-tax earnings per share), excluding the cumulative effect of a change in accounting principle.

(2) Summary of operations and other financial and statistical data include $52 million in pretax restructuring and other nonrecurring charges ($0.22 basic and $0.21 diluted after-tax earnings per share).

(3) Summary of operations and other financial and statistical data include $829 million in pretax restructuring and other nonrecurring charges ($4.88 after-tax earnings per share).

(4) Summary of operations and other financial and statistical data exclude $114 million after-tax cumulative effect of change in accounting principles ($1.13 primary and $0.71 fully diluted earnings per share).

(5) Summary of operations and other financial and statistical data include $526 million in pretax restructuring charges ($3.30 after-tax per

share).

(6) Summary of operations and other financial and statistical data include $82 million pretax restructuring charges ($0.53 after-tax per share). Summary of operations exclude $587 million after-tax cumulative effect of changes in accounting principles ($5.89 after-tax per share).

(7) Includes interest income.

(8) All share and earnings per share amounts for fiscal years prior to 1999 have been restated to reflect the two-for-one common stock split that became effective on November 2, 1998.

1996(3)	1995(4)	1994(5)	1993(6)	1992	1991	1990
$12,418	$12,162	$12,058	$11,657	$10,837	$ 9,171	$8,583
11,953	11,501	12,503	12,167	11,477	9,604	8,145
465	661	(445)	(510)	(640)	(433)	438
(243)	(262)	(271)	(177)	(151)	(97)	(27)
54	95	56	36	5	30	57
276	494	(660)	(651)	(786)	(500)	468
(120)	(200)	250	233	271	163	(187)
--	--	1	3	9	13	22
156	294	(409)	(415)	(506)	(324)	303
156	294	(409)	(415)	(506)	(324)	303
(82)	(88)	(110)	(110)	(19)	(19)	(18)
$ 74	$ 206	$ (519)	$ (525)	$ (525)	$ (343)	$ 285
$ 0.72	$ 2.04	$ (5.16)	$ (5.27)	$ (5.30)	$ (3.87)	$ 2.90
$ 0.72	$ 2.01	$ (5.16)	$ (5.27)	$ (5.30)	$ (3.87)	$ 2.64
$ 0.72	$ 2.04	$ (5.16)	$ (5.27)	$ (5.30)	$ (3.87)	$ 2.90
$ 0.72	$ 2.01	$ (5.16)	$ (5.27)	$ (5.30)	$ (3.87)	$ 2.64
$ 10	$ 10	$ 10	$ 35	$ 59	$ 54	$ 85
$ 0.10	$ 0.10	$ 0.10	$ 0.35	$ 0.60	$ 0.60	$ 0.85

1996(3)	1995(4)	1994(5)	1993(6)	1992	1991	1990
$ 12,226	$ 12,143	$ 11,896	$ 11,871	$ 10,162	$ 8,411	$ 7,227
$ 2,175	$ 3,121	$ 3,228	$ 3,716	$ 2,833	$ 2,059	$ 1,315
$ 2,540	$ 1,827	$ 1,467	$ 1,913	$ 1,894	$ 2,457	$ 2,596
135,556,212	101,632,020	100,906,544	100,127,682	99,398,196	98,803,558	92,172,220
91,341	88,893	87,399	85,085	77,038	69,127	67,240
130,751	130,645	131,906	132,282	123,102	104,328	96,463
88,673	86,417	85,268	82,406	72,693	62,086	58,987
9.50(cent)	9.31(cent)	9.14(cent)	8.81(cent)	8.80(cent)	8.79(cent)	8.90(cent)
13.19(cent)	13.18(cent)	13.27(cent)	13.23(cent)	13.91(cent)	13.80(cent)	13.63(cent)
9.14(cent)	8.80(cent)	9.48(cent)	9.20(cent)	9.32(cent)	9.21(cent)	8.44(cent)
67.8%	66.2%	64.6%	62.3%	59.1%	59.5%	61.2%
65.1%	62.3%	67.2%	65.6%	63.0%	62.6%	58.0%
18,084	18,150	18,302	18,182	16,625	13,825	12,500
10,235	10,142	9,911	9,503	8,361	7,104	6,694
66.10(cent)	63.37(cent)	68.32(cent)	66.92(cent)	69.03(cent)	69.47(cent)	65.16(cent)

SHAREOWNER INFORMATION

DELTA AIR LINES, INC.

COMMON STOCK

Listed on the New York Stock Exchange under the ticker symbol DAL.

NUMBER OF SHAREOWNERS

As of June 30, 2000, there were 21,435 registered owners of common stock.

MARKET PRICES AND DIVIDENDS

FISCAL YEAR 2000	Closing Price of Common Stock on		Cash Dividends per Common Share
Quarter Ended:	High	Low	
September 30	$ 63 1/8	$ 46 3/16	$ 0.025
December 31	54 7/16	47 9/16	0.025
March 31	54 3/4	43 5/8	0.025
June 30	57 1/16	49	0.025

Fiscal Year 1999	Closing Price of Common Stock on		Cash Dividends per Common Share
Quarter Ended:	High	Low	
September 30	$ 71 3/32	$ 46 13/16	$ 0.025
December 31	57 9/16	41 11/32	0.025
March 31	70 15/16	49	0.025
June 30	71 9/16	55 7/16	0.025

DELTA'S AIRCRAFT FLEET

DELTA AIR LINES, INC.

MAINLINE AIRCRAFT FLEET

Delta's modern and efficient aircraft fleet is at the center of our operations. Delta has entered into a long-term aircraft purchase agreement with The Boeing Company (Boeing), which covers firm orders, options and rolling options for certain aircraft through calendar year 2017. This agreement supports Delta's plan for disciplined growth, aircraft rationalization and fleet replacement. It also provides Delta flexibility to adjust scheduled aircraft deliveries or substitute between aircraft models and aircraft types. The majority of the aircraft under firm order from Boeing will be used to replace older aircraft.

Delta's long-term plan is to reduce aircraft family types from seven to three. We believe fleet standardization will improve reliability and produce long-term cost savings. We plan to retire (1) our remaining L-1011 aircraft by August 2001; (2) our B-727 fleet by the end of 2005; and (3) our MD-90 fleet and owned MD-11 aircraft over the next seven to nine years. In fiscal 1999, we entered into an agreement to sell our B-727 fleet, with deliveries occurring through 2005.

REGIONAL JET AIRCRAFT

In July 2000, ASA and Comair entered into purchase agreements with Bombardier, Inc. to purchase a total of 94 Canadair Regional Jet (CRJ) aircraft, including 69 CRJ-200 aircraft with a mix of 40, 44 and 50 seats, and 25 CRJ-700 aircraft with 70 seats. ASA and Comair also received options to purchase an additional 406 CRJ aircraft through 2010.

AIRCRAFT FLEET AT JUNE 30, 2000

		Leased			
Aircraft Type	Owned	Capital	Operating	Total	Average Age
B-727-200	90	--	10	100	22.3
B-737-200	1	45	8	54	15.6
B-737-300	--	3	23	26	13.6
B-737-800	24	--	--	24	0.8
B-757-200	70	--	41	111	9.6
B-767-200	15	--	--	15	17.1
B-767-300	4	--	24	28	10.4
B-767-300ER	50	--	8	58	4.5
B-777-200	7	--	--	7	0.8
L-1011-1	7	--	--	7	19.2
L-1011-250	5	--	--	5	17.6
L-1011-500	7	--	--	7	19.6
MD-11	8	--	7	15	6.4
MD-88	63	--	57	120	10.0
MD-90	16	--	--	16	4.6
EMB-120	51	--	14	65	10.1
ATR-72	4	--	15	19	6.0
CRJ-100/200	22	--	110	132	2.8
TOTAL	444	48	317	809	10.1

AIRCRAFT DELIVERY SCHEDULE AT JUNE 30, 2000(*)

	Delivery in Calendar Year Ending					
Aircraft on Firm Order	Remainder of 2000	2001	2002	2003	After 2003	Total
B-737-600/700/800	16	27	18	10	37	108
B-757-200	7	3	--	--	--	10
B-767-300/300ER	--	1	--	--	--	1
B-767-400	12	4	5	--	--	21
B-777-200	--	--	1	1	4	6
CRJ-100/200	16	34	29	22	2	103
CRJ-700	--	2	20	12	23	57
TOTAL	51	71	73	45	66	306

AIRCRAFT ON OPTION AT JUNE 30, 2000*

Aircraft on Option(**)	Remainder of 2000	2001	2002	2003	After 2003	Total	Rolling Options
	Delivery in Calendar Year Ending						
B-737-600/700/800	--	3	5	7	45	60	256
B-757-200	--	--	9	11	--	20	74
B-767-300/300ER	--	--	2	2	7	11	14
B-767-400	--	--	5	5	14	24	16
B-777-200	--	--	5	5	10	20	27
CRJ-100/200	--	--	12	28	191	231	--
CRJ-700	--	--	--	--	165	165	--
Total	--	3	38	58	432	531	387

(*) Includes regional jet orders and options under purchase agreements entered into in July 2000.

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

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EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTS

As independent public accountants, we hereby consent to the incorporation by reference of our reports dated August 11, 2000 included or incorporated by reference in Delta Air Lines, Inc.'s Annual Report on Form 10-K for the year ending June 30, 2000 into the Company's previously filed Registration Statement File Nos. 2-94541, 33-30454, 33-65391, 333-16471, 33-32618, 33-52045, 333-49553, 333-92291, 33-50175, 333-58647 and 333-30974.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia

September 27, 2000

EXHIBIT 24

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Edwin L. Artzt

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ James L. Broadhead

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Edward H. Budd

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ R. Eugene Cartledge

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Mary J. Evans

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ George M.C. Fisher

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ David R. Goode

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Gerald Grinstein

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Leo F. Mullin

Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Leo F. Mullin, M. Michele Burns and Edward H. Bastian, and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 2000, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand as of August 30, 2000.

/s/ Andrew J. Young

Director
Delta Air Lines, Inc.

ARTICLE 5

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM DELTA AIR LINES, INC.'S FORM 10-K FOR THE FISCAL YEAR ENDED JUNE 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000,000

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 2000
PERIOD START	JUL 01 1999
PERIOD END	JUN 30 2000
CASH	1,252
SECURITIES	493
RECEIVABLES	773
ALLOWANCES	34
INVENTORY	103
CURRENT ASSETS	3,346
PP&E	21,081
DEPRECIATION	7,590
TOTAL ASSETS	20,566
CURRENT LIABILITIES	5,940
BONDS	4,525
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	271
OTHER SE	4,602
TOTAL LIABILITY AND EQUITY	20,566
SALES	0
TOTAL REVENUES	15,888
CGS	0
TOTAL COSTS	14,600
OTHER EXPENSES	(1,349)
LOSS PROVISION	15
INTEREST EXPENSE	354
INCOME PRETAX	2,283
INCOME TAX	914
INCOME CONTINUING	1,369
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	66
NET INCOME	1,303
EPS BASIC	9.92
EPS DILUTED	9.42